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STATUS OF JAPANESE-AFFILIATED MANUFACTURING OPERATIONS IN EUROPE

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SCIENCE & TECHNOLOGY
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92FE0065A Tokyo NIHON BOEKI SHINKOKAI in Japanese Mar 91 pp 1-184

[Book by Japan External Trade Organization (JETRO), European Division, Overseas Survey Study Branch; Overseas Survey Series No. 302, 1991 Edition]

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[Text] **Preface**

The advance of Japanese manufacturing industries into Europe continued to gather strength during 1990. Although there were only 157 companies in Europe affiliated with Japanese manufacturers in 1983 when our association initiated this series of business status surveys, their total number has increased to 676 as of the end of January 1991.

In order to aggressively pursue the goal of local management, Japanese-affiliated manufacturers in Europe have been assisting the localization of Japanese companies' manufacturing activities by increasing the percentage of use of locally-procured parts and raw materials, as well as by hiring local residents for management positions. Also, Japanese companies have rapidly increased over the past few years the establishment of R&D and design centers in order to accurately grasp consumer needs.

The trend of Japanese parts manufacturers' advance into Europe has also been increasing in response to the EC's penalty taxation for dumping equipment parts, as well as in response to the EC's request for increasing the local content of manufactured goods. Also becoming significant is the competition among the companies of the United States, Europe, and Japan. There is even a move towards the establishment of a comprehensive corporations for Europe to deal with the situation after the unification of the European market is completed.

In this survey of Japanese-affiliated manufacturing operations in Europe, the seventh, we have worked to grasp the situation at Japanese-affiliated manufacturing companies promoting localization under the background mentioned above.

We express our sincere appreciation to all the companies in 18 European countries who participated in this survey and who helped us in conducting this study despite their busy workload.

We would be pleased if the results of this survey serve in some way as a reference for the promotion of industrial cooperation between Europe and Japan.

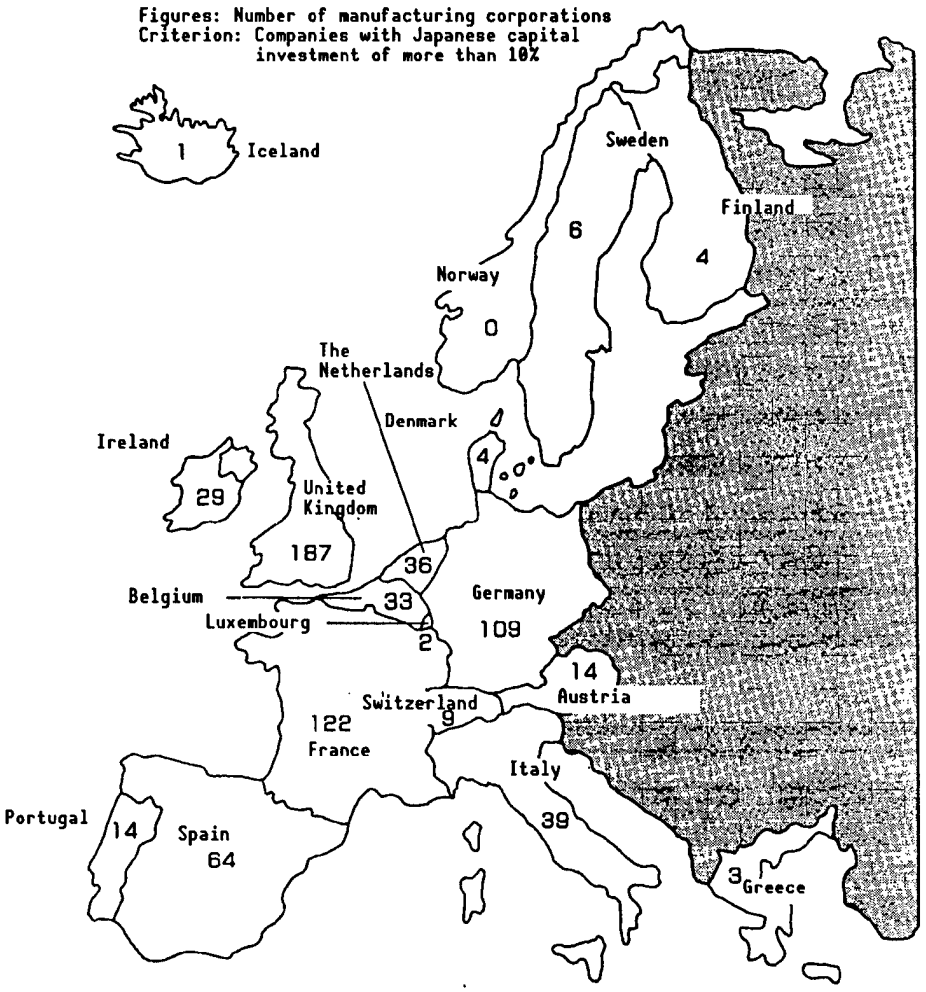
Survey Method

This questionnaire survey (during September 1990 through January 1991) of Japanese-affiliated manufacturers in Europe was conducted based on the results of our sixth survey. We worked to follow on both the Japanese and European sides to the extent possible the Japanese-affiliated corporations that have advanced into Europe since the last survey and to get a handle on an accurate number of corporations. In this survey we define as manufacturing corporations in Europe those in which Japanese companies have a capital investment rate over 10 percent. These include companies which were previously established by Japanese corporations advancing into Europe and elsewhere. These companies also include those which have completed registration as a legal entity in their specific localities in Europe as well as those which have not started the operation, yet which are believed to have decided to build factories in cooperation with local governments.

Among the 676 Japanese-affiliated manufacturing companies in Europe listed in this study are those which had started operations prior to January 1990 but were not included in the previous survey. They have been newly added to the list.

Our method in conducting this survey was to mail questionnaires and cover letters requesting answers to these Japanese companies in Europe via our office in Europe.

> Japanese-Affiliated Corporations in Europe: 676 (excluding 44 corporations which have established only R&D or Design Centers)
>
> Responding corporations: 323 (excluding 15 companies which have established R&D or Design Centers only)
>
> Response rate: 47.8 percent



(Source) JETRO European Office Survey

Map of Overseas Production Bases of Japanese Manufacturers in Europe (676 companies) (as of January 1991)

Survey Summary

I. Increasing Strong Advance of Japanese-Affiliated Manufacturing Corporations Into Europe

1. 676 Japanese Manufacturers Remarkable Advance Into United Kingdom

According to this survey, the seventh in the series, the number of Japanese-affiliated manufacturers in operation or which have already established companies in 18 countries in Europe is 676 as of the end of January 1991. This is an increase of 147 companies from 529 companies at the end of January 1990. The number of Japanese-affiliated manufacturing corporations in Europe has increased markedly with each survey. There were 157 in the first survey (1983), 188 in the second (1984), 242 in the third (1986), 282 in the fourth (1987), 411 in the fifth (1988), 529 in the sixth (1989), and 676 this time.

Comparing the results of this survey with the last one, the countries with large percentage increases for Japanese-affiliated manufacturers are the United Kingdom (41.7 percent), Italy (39.3 percent), Belgium (32 percent), France (28.4 percent), Germany (22.5), and Spain (16.3 percent).

Also, the country with the largest number of Japanese-affiliated manufacturers is the United Kingdom with 187 (27.7 percent of the total). Next come France with 122 (18 percent), Germany with 109 (16.1 percent), and Spain with 64 (9.5 percent). It is clear that the advance into the United Kingdom these past few years has been remarkable.

The advance of Japanese-affiliated parts manufacturers into Europe is on the upswing, a response to the EC's antidumping on parts and the demand for increased local contents. As of the end of January 1991, the number of Japanese-affiliated electronics/electrical machinery parts manufacturers in Europe had reached 67 (it was 53 at the end of January 1990); that of transportation machinery parts manufacturers, 44 (it was 24 at the end of January 1990).

Also, the use and training of local parts manufacturers have advanced. Japanese-affiliated manufacturers have steadily increased their procurement rate for local parts and raw materials. The procurement rate for 1990—68.9 percent—came close to 70 percent. Another new trend is that all Japanese-affiliated manufacturers which began their operations during 1989 and 1990 have shown high procurement rates from the start of their operations.

Another new trend in localization and production is the localization of R&D. In the seventh survey, 77 percent of Japanese-affiliated manufacturers have recognized the need for R&D localization. The most predominant reason for supporting localization is "the necessity for goods produced locally to meet local needs." The number of design and R&D centers that Europe affiliated to Japanese-affiliated corporations in Europe already has increased from 73 in the sixth survey to 140 (96 of which are in the same location as the manufacturing headquarters, and 44 of which are exclusively independent design or R&D centers).

Apart from the localization of production, the localization of management as well as closer ties to local industry have steadily developed. Among the corporations surveyed on participation of local hires in management, 67 percent of the respondents to our questionnaire stated that "they are making progress," and that locals have been appointed to the highest managerial positions of responsibility in approximately one-third of the Japanese-affiliated manufacturing corporations. Even concerning the transfer of authority from the present company to the Japanese-affiliated manufacturers, 93 percent of the affiliates responded that some degree of authority was being transferred. In a breakdown of the authority being transferred, over 80 percent of the corporations have indicated 1) changes in labor hiring 2) changes in working systems, 3) setting wages, 4) procuring raw materials, and 5) production and sales planning. The transfer of authority is nearly across the board in operation and supervision of local production sites is being implemented by many companies. Local autonomy is being widely recognized, which is becoming the background to the localization of production.

2. Largest Categories of Japanese-Affiliated Manufacturing Advancing Into Europe Are Electronics and Electric Machinery

In a breakdown by category of the 676 Japanese-affiliated manufacturers in Europe, there are 178 electronics/electric machinery and parts companies (26.3 percent of the total), 110 chemical companies (16.3 percent), 80 general machinery companies (11.8 percent), 60 transportation machinery and parts companies (8.9 percent), and 32 metal products companies (4.7 percent). These five types of industries constitute 68 percent of the total.

The country into which these companies dealing with electronics/electric machinery and parts are most advancing is the United Kingdom, with 58 such companies. This is followed by Germany and France, with 41 and 30 such companies, respectively.

Other than those types, we see that the United Kingdom is overwhelmingly the greatest host country by industry type if we show the state of advance for each industry type by country. For foodstuffs, it is France (19 companies); for chemicals, the United Kingdom (28 companies); for medical products, Germany (six companies); for metal products, the United Kingdom 12 companies); for general machinery, the United Kingdom (21 companies); for transportation machinery, the United Kingdom and Spain (five companies each); for transportation equipment parts, the United Kingdom (15 companies); and for precision machinery, the United Kingdom (nine companies).

Also, the number of Japanese-affiliated European design and R&D centers has increased from 73 in the previous survey to 140. By country, the United Kingdom has the largest number, with 51 (Table I-1).

Table I-1. Japanese-Affiliated Manufacturing Companies in Europe by Types of Industries and Country (676 companies as of January 1991)

	Total	United Kingdom	France	Germany	The Netherlands	Belgium	Luxembourg	Ireland	Spain	Italy	Finland	Norway	Sweden	Denmark	Austria	Portugal	Switzerland	Greece	Iceland
Total number	676	187	122	109	36	33	2	29	64	39	4	0	6	4	14	14	9	3	1
Foodstuffs	28	4	19	3	1				1										
Textiles	14	5	1		1			2	1	1						3			
Clothing/fabrics	19	4	6	1					1	7									
Furniture/fixtures	5	1	2	1					1										
Pulp/paper	4			1					1		1					1			
Chemicals	110	28	16	13	11	8		4	12	7			3		2	2	3	1	
Pharmaceuticals	20	1	3	6	1	1		3	3	1							1		
Rubber products	17	2	4	2	1	1		1	2	1	1				1	1			
Ceramics/stone	18	2	4	2	1	5		1	2	1									
Steel/iron	5			1	1	1			1									1	
Nonferrous metals	1		1																
Metal products	32	12	6	4					3	1					4	1			1
General machinery	80	21	12	19	6	4		3	5	5			1	2	1		1		
Electronics/electrical machinery	111	39	24	23	3	4	1	1	8	7						1			
Electronic parts	67	19	6	18	4	2		11	4	2					1				
Transportation machinery	16	5	2			1			5	2						1			
" " parts	44	15	5	4	3	1			10	1			1		1	2	1		
Precision machinery	31	9	5	7	2		1	1	1		1		1		1		2		
Others	54	20	6	4	1	5		2	3	3	1			2	3	2	1	1	
Design/R&D centers	140(44)	51(18)	18 (7)	29(12)	4 (0)	8 (2)	0	2 (1)	15 (0)	9 (2)	0	0	1 (0)	1 (1)	0	0	1 (1)	0	1 (0)

II. Profiles of Japanese-Affiliated Manufacturers in Europe

1. Average Portrait: Medium-Scale; Average Number of Employees, 320; Average Capital, $2.9 Million

Table II-1 depicts a summary of the corporate scale of the 338 Japanese-affiliated manufacturing corporations in Europe which responded to our questionnaire (30.5 percent of the 325 companies that gave valid responses). The greatest number of companies—99—have capital of $1.01~4.99 million. If another 58 companies having capital of $5~9.99 million are added to this category, the share of these companies with respect to the responded total is 48.3 percent. Companies with capital of $1.01~$9.99 million occupy almost 50 percent of the total. The average amount of capital per company is $29 million, 2.6 times the $1.11 million at the time of the previous survey. There were 17 companies with over $100 million in capital as against only three in the previous survey. This no doubt has greatly affected the increase.

The largest number of companies has fewer than 49 employees (30.3 percent of 300 companies that gave valid responses). Together with the 40 companies with 50~99 employees, the two categories of companies account for 43.7 percent of the total. The average number of employees per company is 320. Also, the average number of Japanese workers per company is seven (valid responses from 249 companies).

Table II-1. Size of Companies Which Responded to Questionnaires
(338 companies)

① Capital ($10,000)	Over $100 million	5000~9999	1000~4999	500~ 999	101~ 499	Less than $1 million	Average (in $million)
325 companies	17	9	82	58	99	60	29.0

② Number of employees	Over 1,000 employees	500~ 999	300~ 499	200~ 299	100~ 199	50~ 99	Less than 49 employees	Average (number of employees)
300 companies	23	25	29	33	59	40	91	320

③ Year companies began operations	Before 1970	~1975	~1980	~1985	1986	1987	1988	1989	After 1990
284 companies	35	29	36	40	15	30	37	29	33

④ Manner in which companies began operation	100% Japanese ownership	Joint venture with local industries	Capital participation only	Acquisition	Others
334 companies	171	73	26	60	4

⑤ Number of factories	1 factory	2 factories	3-4 factories	More than 5 factories	Average number/ company
311 companies	266	29	12	4	1.26

⑥ Total sales ($10,000)	Over $100 million	5000~9999	1000~4999	500~ 999	101~ 499	Less than $1 million	Average (in $million)
260 companies	46	36	85	28	47	18	66.7

The greatest number of Japanese-affiliated companies had annual gross sales of $10~49.99 million (32.7 percent of the 260 companies that gave valid responses). Average gross annual sales per company was $66.7 million, slightly higher than the $61.8 million of the previous survey, but approximately the same as before.

The number of companies indicating that they have a single factory was 266 (85.5 percent of the 311 valid responses); the average number of factories per company was 1.26.

The statistics indicated above reveal that the average Japanese-affiliated manufacturing corporation in Europe is medium-size, which is the same as in the previous survey.

Other major statistics depicting the profiles of Japanese-affiliated manufacturers in Europe are summarized as follows:

Concerning the form of advance into Europe, more than half of the cases, or 171 wholly-owned Japanese companies, accounted for the majority of cases (51.2 percent of the 334 valid responses).

Concerning the year operations begin, 144 companies (50.7 percent of the 284 valid responses) either began or expected to begin operations since 1986, 140 companies (49.3 percent of the valid responses) before 1985, and 99 companies since 1988 (34.9 percent of the valid responses). In other words, more than one-third of the Japanese-affiliated companies in Europe either began or expected to begin their operations from 1988.

In management localization, 98 Japanese-affiliated companies in Europe (31.6 percent of the 310 valid responses) indicated that their presidents were local hires (including nine companies with a dual president system of a local hire and a Japanese). In addition, 40 companies had locally-hired vice presidents (32 percent of 125 valid responses—including seven companies which have a dual system of local hires and Japanese). The average number of other types of executives is 3.95 per company (responses from 273 companies), while the average number of Japanese executives other than presidents and vice presidents is 2.7 per company (responses from 250 companies). In other words, 31~32 percent of executives other than presidents and vice presidents are local hires.

Concerning types of business, there were 228 manufacturing/sales companies (72.8 percent of 313 valid responses), 64 exclusively manufacturing companies (20.4 percent of valid responses), six contract manufacturers (1.9 percent of the valid responses), and 15 design or R&D centers (4.8 percent of valid responses). Of the 64 Japanese-affiliated companies in Europe exclusively engaged in manufacturing, 41 companies (75.9 percent of 54 valid responses) use Japanese-affiliated companies as their sales agents, seven companies (13 percent of the valid responses) use local sales agents, and six companies (11.1 percent of valid responses) use both Japanese and local sales agents.

Comparing the scale of Japanese-affiliated companies in Europe with their parent Japanese companies by their average capital, we see the average capital of the parent companies is ¥44.9 billion (valid responses of 295 companies) against $29 million for the Japanese-affiliated companies in Europe. The scale and capital for Japanese-affiliated manufacturers in Europe is extremely small compared to their parent companies.

2. The Number of Employees by Country and Industry

(1) By Country, Portugal Has the Greatest Average Number of Employees

Concerning the number of employees, 300 out of 338 responding companies responded. The total number of employees in these 300 companies was 96,139, or an average of 320 employees per company. Table II-2 depicts the number of responses and average number of employees per company by country.

The average number of employees per company is the largest in Portugal at 515 (5,151 in total). This is followed by 431 in Spain (a total of 15,959), 397 in the United Kingdom (a total of 35,756), 355 in Belgium/Luxembourg (a total of 5,330), and 331 in Germany (a total of 16,529). The countries showing marked decreases in these figures from the previous survey are Portugal, Finland, Italy, Spain, Belgium, and Luxembourg. The reasons for the marked decline are as follows: In the case of Portugal, an automotive parts manufacturing company which had reported having 2,700 employees in the previous survey, responded to the current survey as having 1,645 employees, or 1,000 less than in the previous survey. In addition, a fiber manufacturing company in Portugal which had reported in the previous survey having 600 employees did not respond to the current survey. A tire manufacturing company in Finland which had previously reported having 1,200 employees did not respond to this survey

Table II-2. Average Scale of Employment by Country
(Based on the questionnaire responses)

	Survey before last (1988)		Previous survey (1989)		This survey (1990)	
	No. of responding companies	Average No. of employees/company	No. of responding companies	Average No. of employees/company	No. of responding companies	Average No. of employees/company
United Kingdom	61	362.1	65	346.4	90	397.3
France	29	374.4	29	251.1	33	275.6
Germany	27	399.2	38	334.7	50	330.6
Netherlands	20	102.5	22	131.3	23	114.1
Belgium/Luxembourg	9	159.7	13	535.8	15	355.3
Spain	19	853.0	27	627.3	37	431.3
Italy	12	199.9	7	196.3	13	107.8
Finland	1	32.0	2	605.5	1	13.0
Portugal	6	847.3	7	891.9	10	515.1
Others	26	136.2	28	146.9	28	152.9
Total	210	354.8	238	345.6	300	320.5

either. The same is true for an Italian hydraulic power shovel company which had reported having 720 employees. In Spain, a tire tube manufacturing company which had reported having 4,935 employees in the previous survey, did not respond to this survey. Although an automotive manufacturing company, which was not included in the previous survey, responded to this survey as having 3,365 employees, the number of Spanish companies having 500~999 employees responded to this survey fell from five in the previous survey to three in this survey. In the case of companies in Belgium/Luxembourg, a plate glass manufacturing company in Belgium reported having 5,500 employees in the previous survey, but the actual number of employees was 2,200 because the previous figure had been calculated in adding the employees of subsidiaries in other countries. As shown above, the average number of employees by country is strongly influenced by the conditions of a corporation's responses.

The total number of corporations which responded as having more than 500 employees was 48. Viewing these by form of advance into Europe, there were 23 wholly-owned companies (47.9 percent) and 25 companies that were mergers, capital participation, corporate acquisition, or other (52.1 percent), or nearly half-and-half. However, looking at companies with more than 1,000 employees (23 companies), there were eight as against 15 companies that were wholly-owned companies, joint ventures, capital participation, corporate acquisition, or others, or nearly twice as many. The result is that there is a higher percentage of joint ventures, capital participation, corporate acquisition, and others among large corporations.

A breakdown by country of these 48 companies with more than 500 employees are as follows: 25 companies in the United Kingdom (among which are 12 companies with over 1,000 employees), three companies in France (three with over 1,000 employees), eight in Germany (two with over 1,000 employees), one in the Netherlands (one with over 1,000 employees), three in Belgium/Luxembourg (one

with over 1,000 employees), five in Spain (two with over 1,000 employees), two in Portugal (two with over 1,000 employees), and one in Greece (none with over 1,000 employees).

In addition, looking at the companies with over 1,000 employees by industry, one sees that there are 11 in transportation machinery and parts, seven in electronics/electric machinery and parts, two in rubber products (both in automotive rubber products), one in construction machinery, one in plate glass, and one in photosensitive materials. It is evident that a high percentage of large companies is involved in industries related to transportation machinery and parts.

Table II-3 depicts the scale of employees by region.

Table II-3. Employee Scale by Country

	Total	Over 1,000 employees	500~999	300~499	200~299	100~199	50~59	Over 49 employees	Average No. of employees
Total	300	23	25	29	33	59	40	91	320.5
Three major European countries	173	17	19	15	22	31	22	47	354.8
Southern Europe	63	4	4	7	6	14	9	19	372.8
Northern Europe	18	-	-	2	4	4	1	7	133.3
Benelux countries	38	2	2	4	1	7	8	14	209.3
Others	8	-	-	1	-	3	-	4	114.9
Four major European countries	186	17	19	15	24	36	25	50	337.5
Other EC countries	104	6	6	13	9	20	15	35	311.6
Non-EC countries	10	-	-	1	-	3	-	6	95.0

(Note) Three major European countries = United Kingdom, France, Germany
Southern Europe = Italy, Spain, Greece, Portugal
Northern Europe = Finland, Norway, Sweden, Denmark, Ireland
Benelux countries = The Netherlands, Belgium, Luxembourg
Others = Austria, Switzerland, Iceland
Four major European countries = United Kingdom, France, Germany, Italy

(2) By Industry, Transportation Machinery Has the Greatest Average Number of Employees

We received 349 responses from 300 companies (Table II-4) concerning the number of employees by industry. The average number of employees per company is 341, and companies with fewer than 49 employees account for 30.7 percent of the total. Companies with fewer than 200 employees account for 62.5 percent. These figures were 24.2 and 57.8 percent, respectively, in the previous survey; the percentage of small-scale corporations is increasing.

The greatest number of employees by industry is the 1,454 in transportation machinery; transportation machinery had led in the previous survey as well.

The parts industry came next, with 506 people. Within the parts industry, companies handling transportation machinery parts had the highest average number of employees, or 723; the figure was 354 people for electronic parts and 258 in raw materials industries. The average number of employees for the raw material industry had been the second highest, or 605 in the previous survey, but had fallen steeply to 258 this time. This is the result of the number of companies with over 500 employees responding to the current survey having declined to 6 from 14 in the previous survey, and the number of companies with fewer than 200 employees having increased to 52 from 31 the last time.

Table II-4. Employee Scale by Industry

[Industry]	Total	Over 1,000 employees	500~999	300~499	200~299	100~199	50~99	Less than 49 employees	Average No. of employees
Total	349	29	28	38	36	66	45	107	341
Processing/assembly	130	13	20	20	16	21	18	22	413
General machinery	32	1	3	4	5	6	5	8	244
Electronics/electrical machinery	67	5	15	11	8	12	12	4	365
Transportation machinery	13	7	-	4	2	-	-	-	1,454
Precision machinery	18	-	2	1	1	3	1	10	141
Parts industries	75	10	5	10	6	15	9	20	506
Chemical products	52	1	1	3	6	11	5	25	128
Raw materials	65	4	2	3	4	13	10	29	258
Others	27	1	-	2	4	6	3	11	142

Remarks: Parts industries = Electronic parts and transportation machinery parts
Chemical products = Chemicals and pharmaceuticals
Raw materials = Foodstuffs, textiles, clothing/furniture, fixtures, pulp/paper, rubber goods, ceramics and stone, steel and iron, nonferrous metals, and metal products

Table II-5 depicts the percentage figures by employee scale seen by type of industry. These percentage figures are high in companies having more than 500 employees; transportation machinery, electronics/electric machinery and parts. There is a remarkable inclination toward a large scale of employees for transportation machinery, the percentage of small-scale corporations is relatively high in electronics/electric machinery. The percentage of small-scale corporations is even higher in the parts industries. Of the parts industries, corporations with under 199 employees, 51.6 percent are in transportation machinery parts industry and 63.6 companies in the electronics parts industry. In short, these statistics indicate that the advance of small and medium-scale parts corporations has grown along with the advance of the transportation machinery and electronics/electric machinery and parts industries into Europe. Furthermore, the number of corporations with fewer than 199 employees in the raw materials industry increased from 18 in the last survey to 29 this time. The percentage also increased, respectively, from 67.2 percent in the previous survey to 80 percent in the current survey, showing the increasing advance of small-scale corporations in the new materials sector.

Table II-5. Percentage of Employee Size for Different Types of Industries (%)

[Industry]	Total	Over 500 employees	200~499	Less than 199 emp.
Total	100	16.3	21.2	62.5
Processing/assembly	100	25.4	27.7	46.9
General machinery	100	12.5	28.1	59.4
Electronics/electrical machinery	100	29.9	28.3	41.8
Transportation machinery	100	53.8	46.2	-
Precision machinery	100	11.1	11.1	77.8
Parts industries	100	20.0	21.3	58.7
Chemical products	100	3.8	17.3	78.9
Raw materials	100	9.3	10.8	80.0
Others	100	3.7	22.2	74.2

3. By Form of Advance, Wholly-Owned Companies--at 171--Account for More Than Half

Concerning the form of advance of Japanese-affiliated manufacturers into Europe, 171 companies moved in with wholly-owned companies (51.2 percent of the valid responses), constituting more than one-half of the total Japanese-affiliated manufacturing companies in Europe.

The manner in which Japanese companies started out in Europe can be classified as follows: the "wholly-owned" by 171 companies (out of the valid responses of 334 companies or 51.2 percent), 73 companies "joint ventures with local firms" (21.9 percent of the valid responses), 60 companies by corporate acquisition (18 percent of the valid responses), among which 41 companies were total capital acquisition, and 26 companies by capital participation only (7.8 percent of the valid responses). The majority of corporations are wholly-owned (Table II-6). If these statistics are viewed with respect to the years in which these companies began their European operations, one can see a clear distinction between the 1980s, when the advance of Japanese companies into Europe began to grow vigorous, and the years before. Among the companies that started operating before 1980, many were joint ventures and acquisitions; 38 percent were wholly-owned companies. more than 60 percent of those started during 1981-1989, however, are wholly-owned companies. This trend has continued since 1990: over 60 percent of Japanese-affiliated companies advancing into Europe are wholly-owned.

Concerning corporate acquisition as well, there appears to be a unique feature depending upon the starting years of these Japanese affiliates. Among the companies that started operations before 1985, 20.9 percent were by corporate acquisition, but the figure had decreased to 10 percent among companies that started between 1986 and 1988. Yet this figure shows an increasing trend since 1989 reaching to 18 percent. This could be related to a trend showing a remarkable move to merger and acquisition (M&A) as the methods of overseas direct investment have diversified in recent years. It is also unique that all companies which started operations since 1988 by corporate acquisition are all by total capital acquisition.

On the other hand, looking at the form of advance into Europe by country and industry, we see different forms depending upon the country and the industry. First, the differences in form of advance by country are as follows:

- Countries with a high percentage of wholly-owned corporations: Belgium (88 percent), the Netherlands (70 percent), the United Kingdom (69 percent), and Germany (54 percent)

Table II-6. Number of Corporations by Country and Region by Form of Advance Into Europe

	Total	Wholly-owned companies 100%	Joint venture with local companies	Capital participation companies	Acquired companies	Others
Total	334 (100)	171(51.2)	73(21.9)	26 (7.8)	60(18.0)	4 (1.2)
United Kingdom	97 (100)	67(69.1)	12(12.4)	- (-)	16(16.5)	2 (2.1)
France	39 (100)	14(35.9)	13(33.3)	1 (2.6)	11(28.2)	- (-)
Germany	56 (100)	30(53.6)	8(14.3)	8(14.3)	9(16.1)	1 (1.8)
The Netherlands	23 (100)	16(69.6)	4(17.4)	1 (4.3)	2 (8.7)	- (-)
Belgium	16 (100)	14(87.5)	1 (6.3)	- (-)	1 (6.3)	- (-)
Luxembourg	1 (100)	1 (100)	- (-)	- (-)	- (-)	- (-)
Ireland	14 (100)	8(57.1)	2(14.3)	2(14.3)	1 (7.1)	1 (7.1)
Spain	44 (100)	5(11.4)	20(45.5)	8(18.2)	11(25.0)	- (-)
Italy	15 (100)	4(26.7)	6(40.0)	2(13.3)	3(20.0)	- (-)
Finland	3 (100)	1(33.3)	1(33.3)	- (-)	1(33.3)	- (-)
Norway	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sweden	1 (100)	- (-)	- (-)	1 (100)	- (-)	- (-)
Denmark	2 (100)	1(50.0)	- (-)	- (-)	1(50.0)	- (-)
Austria	7 (100)	3(42.9)	1(14.3)	- (-)	3(42.9)	- (-)
Portugal	11 (100)	4(36.4)	4(36.4)	3(27.3)	- (-)	- (-)
Switzerland	1 (100)	1 (100)	- (-)	- (-)	- (-)	- (-)
Greece	3 (100)	2(66.7)	1(33.3)	- (-)	- (-)	- (-)
Iceland	1 (100)	- (-)	- (-)	- (-)	1 (100)	- (-)
UK/France/Germany	192 (100)	111(57.8)	33(17.2)	9 (4.7)	36(18.8)	3 (1.6)
Southern Europe	73 (100)	15(20.5)	31(42.5)	13(17.8)	14(19.2)	- (-)
Northern Europe	20 (100)	10(50.0)	3(15.0)	3(15.0)	3(15.0)	1 (5.0)
Benelux	40 (100)	31(77.5)	5(12.5)	1 (2.5)	3 (7.5)	- (-)
Others	9 (100)	4(44.4)	1(11.1)	- (-)	4(44.4)	- (-)

• Countries with a high percentage of joint ventures/capital participation: Spain (64 percent), Portugal (64 percent), Italy (53 percent), and France (36 percent)

• Countries with a high percentage of corporate acquisitions: Austria (45 percent), France (28 percent), and Spain 25 percent)

Looking at this by regions, we see the three Benelux countries had the highest percentage of wholly-owned companies (77.5 percent); Southern Europe had the highest percentage of joint ventures and capital participation (39 percent).

Next, we see the differences in form of advance by industry:

• The industries with a high percentage of wholly-owned corporations are: precision machinery (72 percent), electronic parts (72 percent), electronics/electric machinery and parts (65 percent), general machinery (59 percent), and chemicals (49 percent).

• The industries with a high percentage of joint ventures and capital participation are: transportation machinery (73 percent), transportation machinery parts (56 percent), textiles (50 percent), pharmaceuticals (50 percent), and metal products (44 percent)

• The industries with a high percentage of corporate acquisitions are: foodstuffs (43 percent), clothing and textile products (49 percent), rubber products (40 percent), ceramics and stones (40 percent), and metal products (36 percent)

Table II-7 depicts a summary of patterns by industry. The percentage of advancing wholly-owned corporations in the parts manufacturing industries is for electronics parts (71.7 percent) but low for transportation machinery (23.5 percent). In the chemical products industries, the percentage of wholly-owned corporations is relatively high in chemicals (48.9 percent) but low for pharmaceuticals (25 percent).

Table II-7. Corporations by Form of Advance by Industry (multiple responses)

[Industries]	Total	Wholly-owned companies 100%	Joint venture with local companies	Capital participation companies	Acquired companies	Others
Total	386(100)	198(51.3)	86(22.3)	30 (7.8)	67(17.4)	5 (1.3)
Processing/assembly	136(100)	81(59.6)	27(19.9)	11 (8.1)	17(12.5)	- (-)
General machinery	32(100)	19(59.4)	2 (6.3)	4(12.5)	7(21.9)	- (-)
Electronics/ electrical machinery	71(100)	46(64.8)	16(22.5)	3 (4.2)	6 (8.5)	- (-)
Transportation machinery	15(100)	3(20.0)	8(53.3)	3(20.0)	1 (6.7)	- (-)
Precision machinery	18(100)	13(72.2)	1 (5.6)	1 (5.6)	3(16.7)	- (-)
Parts industries	80(100)	41(51.3)	17(21.3)	9(11.3)	10(12.5)	3 (3.8)
Chemical products	55(100)	25(45.5)	14(25.5)	4 (7.3)	11(20.0)	1 (1.8)
Raw materials	73(100)	19(26.0)	22(30.1)	5 (6.8)	27(37.0)	- (-)
Others	27(100)	20(74.1)	4(14.8)	1 (3.7)	2 (7.4)	- (-)
Design/R&D Centers	15(100)	12(80.0)	2(13.3)	- (-)	- (-)	1 (6.7)

The difference in the form of advance into Europe can be explained to some extent according to the above differences in form of advance into Europe by country. In other words, in the United Kingdom and Germany, where many Japanese-affiliated companies advanced into the precision machinery, electronics/electric machinery and parts, electronic parts, and general machinery industries, the percentage of wholly-owned corporations tended to be high. On the other hand, in Spain, where many Japanese-affiliated companies advanced into the transportation machinery, transportation machinery parts, and metal products industries, and in France, where many Japanese-affiliated companies advanced into foodstuffs, the percentage of wholly-owned corporations tends to be low and the percentage of joint ventures, capital participation, and corporate acquisition tends to be high. However, while these differences in the type of industries are significant, it is important to consider fully the effect due to differences in the investment climate in each country.

III. Current Status of Japanese-Affiliated Manufacturers in Europe

1. Motivations and Purposes for Advancing Into Europe and Reasons for Deciding Where to Advance

(1) Increasingly Strong Motivation for Advancing Into Europe as Part of Globalization Strategy

Although the motivations and purposes for Japanese companies' advance into Europe tend to be increasingly diverse, the results of this survey have clearly shown the position of doing so in line with a strategy of management globalization is becoming clear.

Table III-1. Motivations by Industry at the Time of Advance Into Europe (multiple responses)

	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	⑬	⑭	⑮	⑯	⑰	⑱	⑲	Totals
Country totals	128	27	53	10	31	235	60	75	35	18	42	94	32	20	18	40	58	6	32	323
Three major European countries	73	9	34	5	20	141	42	45	20	13	17	60	28	14	12	28	38	4	21	190
Southern Europe	24	10	15	3	5	44	10	20	5	3	5	12	-	-	5	4	7	2	7	66
Northern Europe	5	4	1	-	-	17	2	6	2	-	11	3	1	3	-	4	5	-	3	21
Benelux countries	21	3	3	1	5	25	6	4	7	2	8	14	3	3	1	3	8	-	-	37
Others	5	1	-	1	1	8	-	-	1	-	1	5	-	-	-	1	-	-	1	9
Industry totals	149	31	64	13	37	263	66	84	39	20	48	106	35	22	18	33	70	6	37	357
Processing/assembly	70	7	45	-	20	101	37	35	18	7	12	47	27	11	6	14	14	3	8	137
Parts industries	28	4	12	3	4	58	16	16	7	5	13	17	5	5	4	10	27	3	9	73
Materials industries	34	16	5	10	10	85	12	29	12	6	19	25	2	6	7	8	28	-	17	122
Others	17	4	2	-	3	19	1	4	2	2	4	17	1	-	1	1	1	-	3	25

Note: Materials industries = Foodstuffs, textiles, clothing/fabric, furniture/fixtures, pump/paper, chemicals, pharmaceuticals, rubber products, ceramics/stone, steel, nonferrous metals, and metal products

① Shift from exports to local production
② To reduce production costs
③ To avoid discriminatory import quotas against Japanese products
④ To secure inexpensive raw materials
⑤ To avoid risks resulting from exchange rate fluctuation
⑥ As a part of globalization strategy
⑦ Worrying about European protectionism accompanying EC market unification in 1992
⑧ To enjoy expanded economy resulting from EC market unification in 1992
⑨ As a strategy anticipating expansion of European market resulting from realization of EEA (European Economic Area) concept and liberalization of Eastern Europe market
⑩ Because parent company advanced into Europe
⑪ Favorable investment measures from tax standpoint
⑫ To respond to consumer needs
⑬ To avoid violation of antidumping regulations
⑭ To avoid violation of antidumping regulations imposed on parts
⑮ To take advantage of European designs
⑯ To conduct R&D in Europe
⑰ To supply parts and raw materials to Japanese-affiliated manufacturers in Europe
⑱ Company acquired a European manufacturing base as result of acquisition of U.S. company
⑲ Others

We had Japanese corporations choose by multiple responses from 19 items the motivations and goals of their securing production bases in Europe. We received a total of 1,014 responses from 323 companies. Among them, we received 179 responses from 152 companies concerning their particularly important motivations and goals. The most popular motivation/goal for advancing into Europe—made by 235 companies (72.8 percent of responders)—was "as a part of a globalization strategy." Next, was "in response to increasing demand, we switched to local production from exports" cited by 128 companies

(39.6 percent of the companies that responded), and "in order to meet consumer needs," cited by 94 companies (29.1 percent of the companies that responded). Although these results are identical to those obtained in the previous survey, the valid response rate for "as a part of a globalization strategy" has increased by 3.5 percent from the previous result of 69.3 percent (Table III-1).

Table III-2. Top Seven Motivations by Industry at the Time of Advance Into Europe

	Overall country ranking	Three major European countries	Southern Europe	Northern Europe	Benelux countries	Others	Overall industry ranking	Processing/assembly	Parts industries	Materials industries	Others
1. Shift from exports to local production	2	2	2	4	2	2	2	2	2	2	2
2. To reduce production costs			6	6							4
3. To avoid discriminatory import quotas against Japanese products	7	7	4				7	4			
6. As a part of globalization strategy	1	1	1	1	1	1	1	1	1	1	1
7. Worrying about European protectionism accompanying EC market unification	5	5	6		7		6	5	5		
8. To enjoy expanded economy resulting from EC market unification in 1992	4	4	3	3			4	6	5	3	4
9. As a strategy anticipating expansion of European market resulting from realization of EEA concept and liberalization of Eastern Europe market					6						
11. Favorable investment measures from tax standpoint				2	4				7	6	4
12. To respond to consumer needs	3	3	5		3	2	3	3	4	5	2
13. To avoid violation of antidumping regulations								7			
16. To conduct R&D in Europe				6							
17. To supply parts and raw materials to Japanese-affiliated manufacturers	6	6		4	4		5		3	4	
19. Others										7	

Table III-2 depicts the top seven motivations and goals of Japanese companies advancing into Europe. Comparing the items from the previous survey the fourth-ranking item shown "to enjoy the effect of economic expansion resulting from EC market unification," which was ranked eighth in the previous survey is now ranked fourth in this new survey. The valid response rate for this item also significantly increased from 15.2 percent in the previous survey to 23.2 percent in this new survey. "To avoid import restrictions against Japan" was ranked fifth in the previous survey and has now dropped to seventh (the valid response rate was approximately the same). Furthermore, "favorable tax climate," which was ranked sixth in the previous survey, has dropped to eighth in this survey (the valid response rate also fell by three points). "Concerning the protectionist trend resulting from EC market unification" has fallen from the previous ranking of fourth to the current ranking of fifth, yet the valid response rate for this question has increased by 1.1 points from the previous 17.5 percent to the current 18.6 percent. From these observations, one may conclude that the unique features of this new survey are the response rate for "as a part of our globalization strategy," which has further increased, and that for "to enjoy the increased economic activities resulting from EC market unification" has increased markedly.

Table III-2 shows the weighted ranking of the Japanese companies' motivations by country and industry. Let us examine the differences in weight by country and industry. First, shown below are the comparison of the valid response rates for the top seven rankings.

	Three major countries	Countries other than three major ones				
			Southern Europe	Norther Europe	Benelux	Others
As a part of globalization strategy	74.2	70.7	66.7	81.0	67.6	88.9
Shift from exports to local production	38.4	41.4	36.4	23.8	56.8	55.6
To respond to consumer needs	31.6	25.6	18.2	14.3	37.8	55.6
To enjoy expanded economy due to EC market unification in 1992	23.7	22.6	30.3	28.6	10.8	-
Worrying about European protectionism due to ・ ・ ・ ・	22.1	13.5	15.2	9.5	16.2	-
To supply parts, materials to Japanese-affiliated manufacturers	20.0	14.3	10.6	23.8	21.6	-
To avoid discriminatory import quotas against Japanese products	17.9	15.0	22.7	4.8	8.1	-

The item for which the valid response rate for the three major countries is lower than those for the other countries is "conversion from exports to local production in response to increased demands." "To enjoy the effect of increased economic expansion" received approximately the same valid response rate. For all the other items, the valid response rates are higher for the three major countries. One could say that the motivation to advance into the three major countries has a relatively stronger strategic coloring.

Likewise, the table below depicts the top seven rankings for the valid response rates by industry.

	Processing/ assembly	Parts	Materials
As a part of globalization strategy	73.7	79.5	69.7
Shift from exports to local production	51.1	38.4	27.9
To respond to consumer needs	34.3	23.3	20.5
To enjoy expanded economy due to EC market unification in 1992	25.5	21.9	23.8
Worrying about European protectionism due to ・ ・ ・ ・	10.2	37.0	23.0
To supply parts, materials to Japanese-affiliated manufacturers	27.0	21.9	9.8
To avoid discriminatory import quotas against Japanese products	32.8	16.4	13.1

The valid response rate of the processing and assembly industries is naturally low for "parts and materials supply to Japanese-affiliated manufacturers," which otherwise shows a high response rate across the board. This tells us that there are various motivations and goals of the processing and assembly industries in advancing into Europe.

The top four rankings of especially important motivations are shown in Table III-3.

Table III-3. Top Four Motivations by Country and Industry (Particularly important at time of advance into Europe)

	Overall country ranking	Three major European countries	Southern Europe	Northern Europe	Benelux countries	Others	Overall industry ranking	Processing/assembly	Parts industries	Materials industries	Others
1. Shift from exports to local production	2	2	2	2	1		2	2	4	2	1
2. To reduce production costs				2							
3. To avoid discriminatory import quotas against Japanese products			3					3			
4. To secure inexpensive raw materials						2					
6. As a part of globalization strategy	1	1	1	1	2	1	1	1	1	1	3
8. To enjoy expanded economy resulting from EC market unification in 1992			3								
12. To respond to consumer needs	3		3	2	2	2		4			2
16. To conduct R&D in Europe				2							
17. To supply parts and raw materials to Japanese-affiliated manufacturers	4	4			2		3			2	4
19. Others	4	3	3			2	3		3	2	

(2) The Top-Ranked Reason To Decide Where to Advance Is, on the Whole, Where "Distribution Conditions Are Geographically Favorable"

As the result of having companies choose multiple answers for 13 items as to their reasons for deciding where to advance, we received a total of 880 responses from 308 companies (Table III-4). The top four rankings are 1) distribution conditions are geographically favorable (109 companies, 35.4 percent of the 308 companies responding), 2) English-speaking managers are available (99 companies, 32.1 percent), 3) quality of laborers is relatively good (99 companies, 32.1 percent), and 4) infrastructure is well established (93 companies, 30.2 percent). These results are the same as those from the previous survey.

If we analyze these figures by region and industry, several characteristics emerge (Tables III-5 and III-6). The top-ranked item for the three major countries is "good infrastructure." This is due to the United Kingdom and Germany ranking it second. The number of valid responses for this question for the United Kingdom was 38 companies (39.2 percent of the 97 companies responding), and for Germany was 23 companies (43.4 percent of the 53 companies responding). France ranked it fifth with six companies (15.8 percent of 38 companies responding). "English-speaking managers are available" ranked second as a whole, yet it ranked fourth among the three major countries. The reason for this is that this particular item ranked first in the United Kingdom (50 companies, 51.5 percent of those responding), but ranked 11th in France (two companies or 5.3 percent of those responding) and eighth in Germany (seven companies or 13.2 percent of those responding). This particular item has slipped from the top four rankings in southern Europe. In other areas, "cheap labor costs" ranked first in southern Europe while "English-speaking managers are available" together with "pro-Japanese atmosphere" ranked first in northern Europe. Although "distribution conditions are good geographically" is first on the whole, it was fifth in both southern Europe and northern Europe.

Table III-4. Reasons for Deciding on Area Into Which To Advance by Country and Region (multiple responses)

	Total	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	⑬
By country														
Total	880	93	80	109	51	62	99	31	99	56	62	24	27	87
United Kingdom	327	38	21	38	23	24	50	18	35	27	16	9	4	24
France	79	6	10	11	4	4	2	3	8	3	2	-	6	20
Germany	159	23	26	17	9	18	7	6	19	-	7	11	5	11
The Netherlands	62	9	1	16	2	6	13	1	5	-	4	1	2	2
Belgium	47	4	1	9	-	5	7	1	7	1	3	2	1	6
Luxembourg	5	1	-	1	1	-	1	-	1	-	-	-	-	-
Ireland	45	1	-	2	1	-	12	-	9	3	12	-	-	5
Spain	76	6	13	7	8	1	2	2	7	11	8	-	3	8
Italy	29	1	7	2	3	1	1	-	2	2	2	1	2	5
Finland	3	-	1	-	-	-	-	-	-	1	-	-	-	1
Norway	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sweden	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Denmark	6	1	-	1	-	1	1	-	1	-	1	-	-	-
Austria	12	2	-	1	-	2	1	-	2	-	2	-	1	1
Portugal	20	-	-	2	-	-	1	-	2	7	4	-	1	3
Switzerland	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Greece	7	-	-	2	-	-	1	-	-	1	1	-	1	1
Iceland	3	1	-	-	-	-	-	-	1	-	-	-	1	-
By region														
UK/France/Germany	565	67	57	66	36	46	59	27	62	30	25	20	15	55
Southern Europe	132	7	20	13	11	2	5	2	11	21	15	1	7	17
Northern Europe	54	2	1	3	1	1	13	-	10	4	13	-	-	6
Benelux	114	14	2	26	3	11	21	2	13	1	7	3	3	8
Others	15	3	-	1	-	2	1	-	3	-	2	-	2	1

Note: Three major European countries = United Kingdom, France, and Germany
Southern Europe = Italy, Spain, Greece, Portugal
Northern Europe = Finland, Norway, Sweden, Denmark, and Ireland
Benelux = The Netherlands, Belgium, and Luxembourg
Others = Austria, Switzerland, and Iceland

① Good infrastructure
② Large domestic market size
③ Geographically favorable distribution conditions
④ Existence of related industries such as parts industries
⑤ Good railways, highways, and air transportation network
⑥ Possible to employ English-speaking managers
⑦ Many Japanese-affiliated manufacturers are now advancing into area of operations
⑧ Local labor quality in area of operations was better than other places
⑨ Local labor costs were low
⑩ Pro-Japanese atmosphere
⑪ Few problems for children's education because of existence of Japanese schools
⑫ Easy to obtain raw materials
⑬ Others

By industry, we see that "the country has a large domestic market" ranked sixth on the whole, ranked first for the processing and assembly industries and fourth for "other" industries. It is thought that this is the result that these are industries directly connected to the market. "Distribution conditions are good geographically" ranked first as a whole but fourth (46 companies) for the processing and assembly industries; 48 companies identified

Table III-5. Top Four Reasons by Region for Deciding on Area Into Which To Advance

	Overall country ranking	Three major European countries	Southern Europe	Northern Europe	Benelux countries	Others
	4	1			3	1
1.Good infrastructure			2			
2.Large domestic market	1	2			1	
3.Geographically favorable distribution conditions	2	4		1	2	
6.Possible to employ English-speaking managers	2	3		3	4	1
8.Local labor quality better than other places			1			
10.Pro-Japanese atmosphere			4	1		
13.Others			3	4		

Table III-6. Top Four Reasons by Industry for Deciding on Area Into Which To Advance

	Overall industry ranking	Processing/assembly	Parts industries	Chemical products	Materials industries	Others
1.Good infrastructure	4	4	4	2		
2.Large domestic market		1				4
3.Geographically favorable distribution conditions	1	4	1	1	2	1
6.Possible to employ English-speaking managers	2	2	1	3		
8.Local labor quality better than other places	3	2	3	3	2	3
12.Easy to obtain raw materials					4	
13.Others					1	1

"English-speaking managers are available" and "quality of labor is relatively good," resulting in these items becoming second in the ranking. The difference between second and fourth is very slight; incidentally, 52 companies identified "large domestic market," which ranked first.

(3) "Creation of Local Jobs" Is What Is Most Expected of Japanese-Affiliated Manufacturers

In response to the question, "what types of requests were there from the local governments or organizations when your companies advanced into operation in

those areas" 306 companies chose a total of 416 answers to eight items. Among those, 138 companies responded in depth that "there were requests" and offered a total of 248 responses. The most frequent response was "creation of employment opportunities over a specified number," cited by 106 companies (which is 76.8 percent of the companies which responded by saying "there were requests"), far ahead of the second-ranked response, "transfer of newest technology" indicated by 51 companies (37 percent of the companies which responded by saying "there were requests") (Table III-7).

Table III-7. Requests of Governments Into Which Companies Advanced at Time of Advance

Request item	Number of requests
Transfer of newest technologies	51
Increase of export/import ratio	33
Increase of procurement rate for local parts and materials	40
Creation of employment opportunities above a set level	106
Employment of locals in management positions	5
Fundraising from local banks	3
Others	10
No requests	168
Total	416

Table III-8 summarizes the responses by industry and region. The highest percentages of corporations responding that "there were requests" were in the processing and assembly and parts industries. By region, they were in southern Europe, northern Europe, and Benelux. Especially among the processing and assembly industries, a high percentage of corporations answering that "there were requests" were in transportation machinery, where 85 percent of the corporations received that request. In electronics/electric machinery, it was 60 percent; in general machinery, 48 percent; and in precision machinery, 26 percent. In the parts industries, it was 74 percent for electronics parts and 43 percent for transportation machinery parts.

Viewed by industry, the parts industry had the most cases of expectations for "creation of employment opportunities above a specified level" (34 companies of 42 were requested, or 81 percent of the total). In particular, 27 electronic parts companies (93.1 percent of the 29 companies), received requests for job creation. Next was the raw materials industry (30 of 40 companies, or 75 percent). Processing and assembly industries came third (52 of 71 companies, or 73.2 percent). There were 351 electronics/electric machinery companies (35 of 41 companies, or 85.4 percent) in the last group.

Viewed by region, one interesting point in southern Europe is the high percentage for "increase the export-import ratio." Of the 31 companies who received requests, 20 companies received that request (64.5 percent), which ranked first. This is followed by 18 companies (58.1 percent) which received requests for "creation of employment opportunities."

Table III-8. Requests by Industry and Country of the Governments of the Countries Into Which Companies Advanced (multiple responses)

	Transfer of newest technologies	Increase of export-import ratio	Increase of procurement rate from local parts and materials	Creation of employment opportunities above a set level	Employment of locals in management positions	Fundraising from local banks	Others	No requests	Totals	Number of companies receiving requests (percent responding companies)
Industry totals	61	42	51	125	6	4	14	173	476	166
	(12.8)	(8.8)	(10.7)	(26.3)	(1.3)	(0.8)	(2.9)	(36.4)	(100)	(49.0)
Processing assembly	25	20	35	52	2	-	7	58	199	71
	(12.6)	(10.1)	(17.6)	(26.1)	(1.0)	(-)	(3.5)	(29.1)	(100)	(55.0)
Parts	20	6	8	34	1	1	1	27	98	42
	(20.4)	(6.1)	(8.2)	(34.7)	(1.0)	(1.0)	(1.0)	(27.6)	(100)	(60.9)
Materials	14	11	6	30	1	2	4	76	144	40
	(9.7)	(7.6)	(4.2)	(20.8)	(0.7)	(1.4)	(2.8)	(52.8)	(100)	(34.5)
Others	2	5	2	9	2	1	2	12	35	13
	(5.7)	(14.3)	(5.7)	(25.7)	(5.7)	(2.9)	(5.7)	(34.3)	(100)	(52.0)
Country totals	51	33	40	106	5	3	10	168	416	138
	(12.3)	(7.9)	(9.6)	(25.5)	(1.2)	(0.7)	(2.4)	(40.4)	(100)	(45.1)
Three major countries	25	9	24	63	3	1	6	105	236	77
	(10.6)	(3.8)	(10.2)	(26.7)	(1.3)	(0.4)	(2.5)	(44.5)	(100)	(42.3)
Southern Europe	15	20	12	18	1	1	3	33	103	31
	(14.6)	(19.4)	(11.7)	(17.5)	(1.0)	(1.0)	(2.9)	(32.0)	(100)	(48.4)
Northern Europe	2	1	-	10	-	-	-	9	22	11
	(9.1)	(4.5)	(-)	(45.5)	(-)	(-)	(-)	(40.9)	(100)	(55.0)
Benelux	8	2	3	13	1	1	1	15	44	17
	(18.2)	(4.5)	(6.8)	(29.5)	(2.3)	(2.3)	(2.3)	(34.1)	(100)	(53.1)
Others	1	1	1	2	-	-	-	6	11	2
	(9.1)	(9.1)	(9.1)	(18.2)	(-)	(-)	(-)	(54.6)	(100)	(25.0)

By year of startup of operations, there is shown a characteristic change in "transfer of the newest technology." Before 1985, 18 companies out of 55 (32.7 percent), which applied for entry, received such requests. This increased to 39.1 percent (18 companies out of 46 companies) during 1986-1988. But, the emphasis for this request dropped sharply to 8.3 percent for 1989, or only one company out of 12. However, it has shown a record high percentage at 53.3 percent, or eight companies out of 15, since 1990. Incidentally, "creation of new employment opportunities" was requested of 10 companies (66.7 percent) since 1990; the difference has decreased suddenly. It is expected that the emphasis of requests for the transfer of the newest technology will grow in the future.

2. Competition With U.S. and European Companies To Grow More Intense With EC Market Unification--The Response, Localization of Production, and Management

(1) On the Whole, Anticipation of Open EC Market

EC market unification by the end of 1992, is already within shouting range. What kind of impact do Japanese-affiliated manufacturers in Europe anticipate

it will have on their own company? What kind of impact have they already felt from matters related to EC market unification? What concrete measures are they planning against this impact? We asked these questions of Japanese-affiliated companies in Europe.

Table III-9. Anticipated Effects of EC Market Unification Upon Japanese Companies (multiple responses)

	Total	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	⑬	⑭	⑮	⑯	⑰
By industry																		
Total	1,371	77	113	194	125	111	104	57	52	26	3	166	112	12	19	144	40	16
Processing/assembly	566	33	52	69	48	32	47	24	22	11	1	68	53	8	7	59	27	5
Parts	257	14	22	38	21	24	22	10	7	6	2	30	18	2	2	27	8	4
Chemical products	167	9	13	34	16	16	11	7	6	1	-	18	11	-	4	19	1	1
Raw materials	224	13	15	32	27	25	13	6	9	4	-	29	17	2	4	23	1	4
Others	99	5	6	11	6	10	5	6	7	3	-	16	6	-	1	14	1	2
Design/R&D centers	58	3	5	10	7	4	6	4	1	1	-	5	7	-	1	2	2	-
By country 1																		
Total	1,164	66	96	171	102	98	87	49	42	20	2	139	94	10	15	125	34	14
Four major countries	743	44	70	109	69	60	63	28	22	14	2	82	63	6	5	71	27	8
Other EC countries	386	19	26	60	29	34	24	18	19	6	-	49	27	4	9	50	6	6
Non-EC countries	35	3	-	2	4	4	-	3	1	-	-	8	4	-	1	4	1	-
By country 2	355	17	33	54	28	27	34	15	13	8	-	40	30	5	2	33	13	3
France	143	7	15	20	12	12	11	7	4	1	1	14	12	1	-	14	8	4
Germany	193	17	21	29	20	14	16	3	3	4	-	22	18	-	2	19	4	1
Southern Europe	236	13	10	34	20	26	14	9	14	4	1	29	14	3	8	25	8	4
Northern Europe	69	4	6	11	5	7	4	4	2	1	-	9	5	-	1	9	1	-
Benelux	148	6	11	21	14	10	8	9	6	2	-	21	13	1	1	23	-	2
Others	20	2	-	2	3	2	-	2	-	-	-	4	2	-	1	2	-	-

Note: Four major countries = United Kingdom, Germany, France, and Italy

① Trend toward protectionist trade
② Trend toward requesting reciprocity
③ Trend expanding total business opportunities
④ Bringing vitality to EC country companies
⑤ Competition with U.S. and European companies in Europe intensifying
⑥ Competition with Japanese companies will increase
⑦ Administrative procedures are becoming simplified
⑧ Trade barriers are being removed
⑨ Trend is for Japanese companies to be excluded from European market
⑩ New participation in government procurement and public works made possible
⑪ Existing distribution patterns in Europe will change
⑫ Intraregional distribution will become easy as result of unification in safety, health, environmental standards
⑬ Import quota against Japan will be removed
⑭ Tax advantages will be lost as result of unified tax system
⑮ Customs procedures will be simplified
⑯ Introduction of certification system (CE mark)
⑰ Others

First, for the question "how do you see the anticipated effect on Japanese-affiliated companies due to EC market unification," we had them choose multiple responses on 17 items. We received a total of 1,164 responses from 315 companies summarized in Table III-9 (total responses by industry were 1,371 because some industrial types are counted more than once). Table III-10 shows the top seven ranked items in the order of number of responses. The top ranking is "expansion of business opportunities," indicated by 171 companies (54.3 percent of the 315 companies responding). More than half of the companies that responded selected this item. Ranked second is "change in the

Table III-10. Anticipated Effects of EC Market Unification Upon Japanese Companies--Top Seven Items by Industry and Country

	Overall ranking by industry	Processing/assembly	Parts	Chemical products	Raw materials	Others	Design R&D centers	Overall ranking by country	United Kingdom	France	Germany	Southern Europe	Northern Europe	Benelux	Others
1.Trend toward protectionist trade											7				3
2.Trend toward requesting reciprocity	5	5	5	6	7	6	5	6	4	2	3		5	6	
3.Expanding business opportunities	1	1	1	1	1	3	1	1	1	1	1	1	1	2	3
4.Envigorating EC country companies	4	6	7	4	3	6	2	4	7	5	4	5	6	4	2
5.Competition with U.S.,European companies in Europe intensifying	7		4	4	4	4	7	5		5		3	4	7	3
6.Competition with Japanese companies will increase		7	5	7			4		3			6			
7.Administrative procedures will be simplified						6	7								3
8.Trade barriers are being removed						5						6			
11.Existing distribution patterns in Europe will change	2	2	2	3	2	1	5	2	2	3	2	2	2	2	1
12.Intraregional distribution will become easy as result of unification in safety, health, environmental standards	6	4		7	6	6	2	7	6	5	6	6	6	5	3
15.Customs procedures will be simplified	3	3	3	2	5	2		3	4	3	5	4	2	1	3

European distribution pattern," chosen by 139 companies (44.1 percent of the companies responding), and ranked third is "the customs process will be simplified," chosen by 125 companies (39.7 percent of the total companies responding). The contents of the top three items are identical to those obtained in the previous survey. Japanese-affiliated manufacturers in Europe anticipate EC market unification will bring them the effect of an expanded market. Although responses to these three items had been almost identical to each other in the previous survey, the number of responses to "expanded business opportunity" has increased its lead over the other two items in the new survey. This may indicate a trend in Japanese-affiliated companies in Europe are more sensitive to the effects of changes rather than to changes in market conditions. In short, we can speculate that the reason for this change in the responses of Japanese companies towards the EC market unification is that it has become a more immediate concern to them than it was before.

Items ranked fourth through seventh are "it will vitalize EC companies," "increasingly intense competition with U.S. and European companies," "tendency to request reciprocity," "standards for safety, hygiene, and the environment will be unified and intraregional distribution will become easier"; identical to the results of the previous survey. Also, while "tendency to request reciprocity" is ranked fourth (96 companies, or 30.5 percent of companies responding), "tendency toward protectionist trade" is ranked ninth (66 companies, or 21 percent).

We see from the above that Japanese-affiliated manufacturers anticipate that, along with requests for reciprocity, the European market is taking an open form, and the economy is expanding and growing vigorous due to EC market unification, competition with European and U.S. corporations to secure market share in the EC market will grow more intense as EC corporations gain vitality and U.S. corporations enter the market more actively.

To the question what are the most important among the effects on Japanese corporations anticipated due to EC market unification, we received a total of 104 responses from 79 companies. Ranked first was "expansion of business opportunities," with 21 companies (26.6 percent of the 79 companies responding), the second ranking was "move towards mutual cooperation" by 16 companies (20.3 percent of 79 companies responding), the third was "material distribution pattern in Europe will change" by 15 companies (19 percent of the 79 companies responding). Table III-11 shows the ranking of these responses with respect to different industries as well as to different countries.

Table III-11. Anticipated Effects of EC Market Unification Upon Japanese Companies (most important items)—Top Three Ranking Items by Industry and Country

	Overall ranking by industry	Processing/assembly	Parts	Chemical products	Raw materials	Others	Overall ranking by country	United Kingdom	France	Germany	Southern Europe	Northen Europe	Benelux	Others
2. Trend toward requesting reciprocity	3	2	1	1			2	2	2	1		1	2	
3. Expanding business opportunities	1	1	3	1	1	2	1	1		2	1			1
4. Envigorating EC country companies					3				2	3	2			
5. Competition with U.S., European companies in Europe intensifying					1						1	1		
6. Competition with Japanese companies will increase			3							3				
11. Existing distribution patterns in Europe will change	2	3	1		3	1	3	2		3	2	1	1	
12. Intraregional distribution will become easy as result of unification in sfety, health, environmental standards												1		
14. Tax advantage will be lost as result of unified tax system											2			
15. Customs procedures will be simplified				1					1					

Tables III-9 and III-10 are analyzed to show the unique features of these statistics by industry and country. By industry, "intensifying competition with Japanese companies" is eighth as a whole. By industry fields, this item ranks seven in the processing and assembly industries, fifth in the parts industries, seventh for chemicals, and fourth in the R&D-type industries. Although "intensifying competition with U.S. and European companies" ranked low, or ninth, in the processing and assembly industries, it ranked fourth in the other industries. The ranking for "intensifying competition with U.S. and European companies" for the processing and assembly industries obtained in this survey is the same as that from the previous survey. The parts industries showed the ranking of seventh for both items mentioned above. It is thought that such responses are linked to the increase in the number of parts companies advancing into Europe. In the previous survey, the parts industries gave sixth ranking to the "trend toward protectionist trade." The same ranking was given in this survey by 11 electronics parts companies (39 companies responding, or 28.2 percent). Seventeen electronics/electric machinery companies (24.3 percent of the 70 companies responding) gave the ranking of eighth to the same item. This may reflect a relatively serious concern among Japanese-affiliated electronics/electric machinery companies in Europe about the growth of protectionist trends in the EC.

If one looks at the responses by country, "trend toward request for reciprocity" is relatively high in the three major EC countries (United Kingdom, Germany, and France). Yet in Germany, the "trend toward protectionist trade" ranked seventh, indicating the companies' concern about growing protectionism in the EC. The ranking for the "trend toward request for reciprocity" is especially low in southern Europe, ranked 10th. Northern Europe also shows a low ranking for the same item, resulting in an overall ranking of sixth for the "trend toward requests for reciprocity." "Increasingly intense competition with Japanese companies" ranked eighth as a whole, yet it is third in the United Kingdom. This is the result of the advance into the United Kingdom of the Japanese-processing and assembly and parts industries being greater than in other European companies and 30.6 percent of the parts companies, ranked first.

(2) Increasingly Intense Competition With Japanese, U.S., and European Companies With EC Market Unification

"Which among the anticipated effects of EC market unification have already had an actual effect on your company's production and sales activities?" To this question, we received a total of 164 responses from 120 companies. Among those, "competition with U.S. and European companies will intensify within Europe" received the highest number of responses, and it ranked first (29 companies out of 120 companies responding, or 24.2 percent). The second highest ranking was "business opportunities appear to be increasing" by 24 companies (20 percent), and the third ranking is "competition with Japanese companies will intensify" by 23 companies (19.2 percent), and the fourth ranking is "goods distribution patterns within Europe will change" by 21 companies (17.5 percent). The contents of these top four responses are the same as those of the previous survey. Although "unification of safety, hygiene, and environmental standards" ranked fifth in the previous survey, this item dropped to 11th. The ranking for "trend toward requests for reciprocity" was 11th in the previous survey, yet it has moved up to fifth in this new survey (11 companies or 9.2 percent of the total number of companies responding) (Tables III-12 and III-13).

By industry, we see that processing and assembly industries gave fourth ranking to "competition with U.S. and European companies will intensify within Europe" (seven companies out of 58 companies responding, 12.1 percent) "competition with Japanese companies will intensify" was ranked first (16 companies out of 58 companies responding or 27.6 percent). Among these processing and assembly industries, greater weight was given to "competition with Japanese companies will intensify" in the general machinery and electronics/electric machinery industries. The responses by the former were by five out of a total of 13 companies (38.5 percent), and by nine of a total of the latter 31 companies (29 percent). Both industries rank it first.

By country and region, we see that ranked first is "competition with Japanese companies will intensify" by 17 companies in the three major countries (the United Kingdom, Germany, and France) of 60 companies responding, or 28.3 percent. Second rank has gone to "business opportunities appear to be increasing" and "competition with U.S. and European companies will intensify

Table III-12. Realistic Effects of EC Market Unification (multiple responses)

	Total	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	⑬	⑭	⑮	⑯	⑰
By industry																		
Total	196	8	15	29	11	32	28	2	5	1	1	25	5	5	4	12	7	6
Processing/assembly	81	6	6	15	3	7	16	-	1	1	-	11	1	3	2	4	4	1
Parts	41	-	1	5	4	7	5	1	2	-	1	4	2	2	1	2	3	1
Chemical products	19	-	3	2	2	6	-	-	-	-	-	1	1	-	1	2	-	1
Raw materials	31	-	2	4	2	10	4	-	-	-	-	3	1	-	-	3	-	2
Others	16	1	-	1	-	2	2	1	2	-	-	6	-	-	-	1	-	-
Design/R&D centers	8	1	3	2	-	-	1	-	-	-	-	-	-	-	-	-	-	1
By country																		
Total	164	8	11	24	8	29	23	2	4	1	1	21	4	3	3	12	5	5
By country 1 Four major countries	89	7	7	16	3	16	17	-	-	1	1	11	2	-	1	4	1	2
Other EC countries	68	1	4	8	5	11	6	1	3	-	-	8	2	3	2	8	4	2
Non-EC countries	7	-	-	-	-	2	-	1	1	-	-	2	-	-	-	-	-	1
By country 2 UK	41	1	2	11	2	8	8	-	-	-	-	6	2	-	-	1	-	-
France	17	1	3	2	-	2	3	-	-	-	-	3	-	-	-	-	1	2
Germany	24	5	2	1	1	4	6	-	-	1	-	2	-	-	-	2	-	-
Southern Europe	47	1	1	4	4	8	3	1	3	-	1	3	1	2	3	6	4	2
Northern Europe	10	-	-	2	-	3	1	1	1	-	-	2	-	-	-	-	-	-
Benelux	22	-	3	4	1	3	2	-	-	-	-	4	1	1	-	3	-	-
Others	3	-	-	-	-	1	-	-	-	-	-	1	-	-	-	-	-	1

Note: Four major countries = United Kingdom, Germany, France, and Italy
① Trend toward protectionist trade
② Trend toward requesting reciprocity
③ Trend expanding total business opportunities
④ Bringing vitality to EC country companies
⑤ Competition with U.S. and European companies in Europe intensifying
⑥ Competition with Japanese companies will increase
⑦ Administrative procedures are becoming simplified
⑧ Trade barriers are being removed
⑨ Trend is for Japanese companies to be excluded from European market
⑩ New participation in government procurement and public works made possible
⑪ Existing distribution patterns in Europe will change
⑫ Intraregional distribution will become easy as result of unification in safety, health, environmental standards
⑬ Import quota against Japan will be removed
⑭ Tax advantages will be lost as result of unified tax system
⑮ Customs procedures will be simplified
⑯ Introduction of certification system (CE mark)
⑰ Others

within Europe," both items by 14 companies (23.3 percent of the 60 companies responding). The advance of processing and assembly industries—particularly general machinery and electronics/electric machinery corporations is greater in the three major countries than in the others, which is linked to this result (65 percent for general machinery and 77.5 percent of electronics/electric machinery) The major difference between the three major countries and other countries and regions is centered around the item "competition with Japanese companies will intensify." Apart form the three major countries, only six companies chose this item (10 percent of the 60 companies responding).

Next, we asked whether the actual effects due to EC market unification are positive or negative for their companies; 180 companies responded, 72 companies (40 percent) saying the effect is "positive." Those who replied "negative" were 47 companies (26.1 percent), and "no effect" were 61 companies (33.9 percent) (Table III-14).

Table III-13. Realistic Effects of EC Market Unification—Top Four Rankings by Industry and Country

	Overall ranking by industry	Processing/assembly	Parts	Chemical products	Raw materials	Others	Design R&D centers	Overall ranking by country	United Kingdom	France	Germany	Southern Europe	Northen Europe	Benelux
1.Trend toward protectionist trade							3				2			
2.Trend toward requesting reciprocity				2			1			1	4			3
3.Expanding business opportunities	2	2	2	3	2		2	2	1	4		3	2	1
4.Envigorating EC country companies			4	3								3		
5.Competition with U.S.,European companies in Europe intensifying	1	4	1	1	1	2		1	2	4	3	1	1	3
6.Competition with Japanese companies will increase	3	1	2		2	2	3	3	2	1	1		4	
7.Administrative procedures will be simplified													4	
8.Trade barriers are being removed						2							4	
11.Existing distribution patterns in Europe will change	4	3	4		4	1		4	4	1	4		2	1
15.Customs procedures will be simplified				3	4						4	2		3
16.Introduction of CE mark												3		

Table III-14. Realistic Effects of EC Market Unification

	Total	Plus	No effect	Minus
By industry				
Total	206(100)	82(39.8)	71(34.5)	53(25.7)
Processing/assembly	83(100)	34(41.0)	29(34.9)	20(24.1)
Parts	34(100)	11(32.4)	14(41.2)	9(26.5)
Chemical products	27(100)	13(48.1)	7(25.9)	7(25.9)
Raw materials	40(100)	14(35.0)	15(37.5)	11(27.5)
Others	18(100)	7(38.9)	6(33.3)	5(27.8)
Design/R&D centers	4(100)	3(75.0)	- (-)	1(25.0)
By country				
Total	180(100)	72(40.0)	61(33.9)	47(26.1)
By country 1 Four major countries	104(100)	43(41.3)	39(37.5)	22(21.2)
Other EC countries	70(100)	27(38.6)	20(28.6)	23(32.9)
Non-EC countries	6(100)	2(33.3)	2(33.3)	2(33.3)
By country 2 UK	53(100)	21(39.6)	26(49.1)	6(11.3)
France	16(100)	9(56.3)	4(25.0)	3(18.8)
Germany	27(100)	9(33.3)	5(18.5)	13(48.1)
Southern Europe	46(100)	18(39.1)	12(26.1)	16(34.8)
Northern Europe	14(100)	3(21.4)	8(57.1)	3(21.4)
Benelux	21(100)	11(52.4)	6(28.6)	4(19.0)
Others	3(100)	1(33.3)	- (-)	2(66.7)

Table III-15. Reasons for Realistic Effects of EC Market Unification (multiple responses)

	Total	①	②	③	④	⑤	⑥	⑦	⑧
By industry									
Total	157	61	4	4	5	9	5	28	41
Processing/assembly	61	24	3	1	-	2	2	8	21
Parts	27	10	-	1	-	5	2	5	4
Chemical products	18	10	-	-	-	1	-	4	3
Raw materials	31	10	1	2	1	-	1	8	8
Others	17	6	-	-	4	1	-	2	4
Design/R&D centers	3	1	-	-	-	-	-	1	1
By country									
Total	135	52	3	4	5	7	3	27	34
By country 1 Four major countries	73	28	2	3	-	3	-	10	27
Other EC countries	54	22	1	1	3	4	3	15	5
Non-EC countries	8	2	-	-	2	-	-	2	2
By country 2 UK	31	16	1	1	-	1	-	4	8
France	11	4	-	1	-	-	-	-	6
Germany	24	5	1	-	-	1	-	6	11
Southern Europe	42	16	1	1	2	5	2	10	5
Northern Europe	9	3	-	-	2	-	-	3	1
Benelux	15	8	-	1	1	-	1	3	1
Others	3	-	-	-	-	-	-	1	2

①Intraregional unimpeded distribution is made easier
②Distribution costs have been lowered
③Newly admitted as a result of public procurement
④Production costs have been lowered
⑤Development of domestic regulations under EC's control has been delayed in country into which operations advanced. This is reason benefits have been received from other countries rather than country itself
⑥Since standards certification system has been unclear, company still does not understand application procedure resulting in loss in business
⑦Since application procedures are working to benefit of European competitors, our company's competitiveness has declined.
⑧Others

Table III-15 shows the reasons behind their replies of "positive" or "negative," which 115 companies provided. Among the answers, items [1] through [4] may be considered the reasons for saying "positive" (although there are exceptions), and [5] through [7] are considered "negative" reasons (with some exceptions). Thirty-four companies answered "others," among which 14 companies gave positive effect reasons and 16 companies gave negative effect. the remaining four companies gave the reason of no effect.

Among the reasons for the positive effect, 52 companies (45.2 percent of the 115 companies responding) selected "it will make unimpeded intraregional distribution of goods easier." For the reason of the negative effect, 27 companies (23.5 percent of the companies responding) selected "because EC market unification works to benefit competing European companies, our company's relative competitive strength is in decline." Among "others," there are 11 companies (9.6 percent of the companies responding) selected "competition on price and such became increasing intense" as the reason for the negative effect.

By country and region, we see in comparing the major four countries (the United Kingdom, Germany, France, and Italy) with the other EC countries a relatively high percentage of the former responded that the actual effect of EC market unification was positive and a high percentage of the latter replied it was negative. This was the same trend as in the previous survey. Comparing the percentages of negative responses given by the three major countries with the other regions, we see that there were four Benelux companies (19 percent), three companies in northern Europe (21.4 percent), 22 companies in the three major countries (22.9 percent), and six companies in southern Europe (34.8 percent), the highest percentage. Among the lowest of the three major countries, the United Kingdom had six companies (11.3 percent), and Germany had 13 companies responding likewise (48.1 percent), the highest.

Table III-15 shows what reasons Japanese-affiliated manufacturers in Germany raise for the negative effect of EC unification. Six companies (25 percent) selected "because EC market unification works to the benefit of competing European companies, our relative competitive strength has declined." Moreover, of the 11 companies which have selected "other reasons," seven companies selected those as negative reasons. That is, four companies replied "increasingly intense competition on price and such" and one company each chose "trend toward import restriction," "restrictions on price and quantity," and "competition with Japanese companies." However, the background for these survey results as in Germany are unclear. In southern Europe, 10 companies cited "because EC market unification works to the benefit of competing European companies, our relative competitiveness has declined" as the reason for the negative effect (23.8 percent, of which seven companies are in Spain), "one characteristic is that five companies cite due to the lag in turning EC directives into domestic laws, our company has not benefitted" (11.9 percent, of which four are in Spain).

By industry, we see that in the chemical products and processing and assembly industries there are high percentages for responses as to the positive actual effect of EC market unification. These two industries show a relatively low percentage of companies responding that the effect is negative.

(3) Response to EC Market Unification Is Promotion of Production and Management Localization and Establishment of Comprehensive Corporations

To the question, "how are your companies responding to EC market unification in 1992" we received replies from 288 companies for a total of 707 responses on 10 items (Table III-16). The top four items are identical to the responses (content as well as ranking order) of the previous survey.

1) "We will promote the Europeanization of our corporation by improving the procurement rates for parts and raw materials, promote local hires to management, and so forth" (163 of 288 companies responding, or 56.6 percent).

2) "We will establish comprehensive European corporations for integrated manufacturing, sales, fundraising, and product development (138 companies, or 47.9 percent).

Table III-16. Concrete Policies for EC Market Unification
(multiple responses)

	Total	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩
By industry											
Total	819	158	133	191	114	43	52	83	7	18	20
Processing/assembly	376	74	71	92	49	27	16	27	3	13	4
Parts	151	25	25	39	20	11	8	15	2	2	4
Chemical products	90	16	7	23	17	1	11	10	-	1	4
Raw materials	100	19	5	19	21	2	11	15	1	-	7
Others	69	17	16	12	5	2	4	9	1	2	1
Design R&D centers	33	7	9	6	2	-	2	7	-	-	-
By country											
Total	707	138	117	163	96	32	46	74	6	16	19
By country 1: Four major countries	503	102	83	112	64	25	34	54	4	13	12
Other EC countries	189	32	32	50	31	6	11	17	1	3	6
Non-EC countries	15	4	2	1	1	1	1	3	1	-	1
By country 2: UK	238	52	41	50	34	13	18	22	2	3	3
France	97	19	13	19	13	3	8	13	1	4	4
Germany	139	25	25	37	16	6	5	16	-	5	4
Southern Europe	119	23	22	26	17	6	6	11	2	3	3
Northern Europe	32	7	5	10	3	1	1	3	1	-	1
Benelux	73	10	10	21	12	2	7	7	-	1	3
Others	9	2	1	-	1	1	1	2	-	-	1

(1) Due to EC market unification, we will establish or are considering a comprehensive company for Europe to bring manufacturing, sales, fundraising, and technology development under one roof
(2) To meet intensifying competition, the local office will be made responsible for part of design and development of products to meet market needs. For this, we will establish within Europe facilities for product development design centers
(3) Promote European region of company through not only raising procurement rate for local parts and raw materials, but by hiring locals for management and contributing to local society as well
(4) To increase present production, we will increase our production share in Europe by strengthening production capability and by establishing production bases where we have not yet advanced
(5) To increase local parts procurement rate, we will nurture parts companies and request that Japanese-affiliated parts manufacturers move into Europe
(6) Considering cooperation/know-how use with European companies in production and sales as well as, on a case-by-case basis, acquisition of European corporations
(7) Nurturing talent of employees sent to Europe, both quality and quantity
(8) Considering moving production bases to countries with greater developments in labor costs, taxes, etc., in reviewing our present production bases
(9) Considering production of products suitable for EC's unified certification system (CE)
(10) Others

3) "In preparing for intensifying competition, we will leave to the field part of planning to meet market needs and some of the design and establish in Europe facilities for product development and as design centers" (117 companies, or 40.6 percent).

4) "In order to expand our current production, we will increase our production share in Europe by establishing production bases in countries into which we have not yet advanced" (96 companies, or 33.3 percent).

One could say that Japanese companies, placing a priority on the localization of production, management, and R&D along with promoting the capacity of their production bases and diversification to meet European market unification, feel the necessity to establish comprehensive companies for the integrated concentration and management of local corporations.

Table III-17. Policies for EC Market Unification—Top Four Ranking Industry and Country

	Overall ranking by industry						Overall ranking by country							
	Overall ranking by industry	Processing/assembly	Parts	Chemical products	Raw materials	Others	Overall ranking by country	United Kingdom	France	Germany	Southern Europe	Northen Europe	Benelux	Others
1. Establishment of planning of comprehensive company in Europe	2	2	2	3	2	1	2	1	1	2	2	2	3	1
2. Establishment of design R&D centers in Europe	3	3	2			2	3	3	3	2	3	3	3	3
3. Improve parts procurement rate, localize local hiring	1	1	1	1	2	3	1	2	1	1	1	1	1	
4. Increase production share in Europe	4	4	4	2	1		4	4	3	4	4	4	2	3
6. Acquisition of European corporations				4										3
7. Improvement of company personnel dispatched to Europe					4	4			3	4		4		1

Table III-17 shows the top four rankings by country, region, and industry. By country and region, the responses from all countries and regions are concentrated in those four items mentioned above. In France and Germany, however, the percentage for "by increasing the number of resident employees dispatched from the main office" is high. Both rank "by raising the production share in Europe" in fourth place. In Italy, "by raising the production share in Europe" falls to seventh and fourth is now shared by "by nurturing parts subsidiaries and requesting the advance into Europe of entry of Japanese parts manufacturers," "the acquisition of European companies," and "increasing the number of resident employees dispatched from the main office."

By industry, as in the last survey, differences are visible between the trends between industries engaged in processing and assembly parts industries and the chemical products/raw materials industries. However, the latter industries "by establishing/examining comprehensive corporations in Europe" was not among the top four rankings in the last survey. This time, however, it ranked third for both types of industries. This indicates that the importance of this item has grown. However, "establishment of design and R&D centers in Europe" is not among the top four, nor was it the last time. This may be due to the character of these industries.

3. Current Management Status of Japanese-Affiliated Manufacturers

(1) More Than Half the Companies Are Doing Well, But Earning a Profit Immediately After the Start of Operations Is Difficult

Concerning the recent (1990) business performance of Japanese-affiliated manufacturers in Europe, 156 of 303 companies (51.5 percent) responded that they were in the black. Although this number exceeds the total, the percentage is the lowest compared to those of 1984, 1987, 1988, and 1989. On the other hand, 92 companies (30.4 percent) indicated that they were in the red, highest percentage of all (Table III-18). The reason that a high percentage of companies answered that they were in the red is due to the high percentage of corporations that have just started operations. This fact is evident by the 52 percent of the companies starting operations since 1988 being in the red (Table III-19). In the responses for the curve of their deficits, they cited the first item "because we have just started operations," chosen by 43.6 percent of the companies that responded (Table III-20).

Table III-18. Comparison of Annual Business Performance by Japanese-Affiliated Corporations in Europe
(Number of companies, figures in parentheses are percentages)

	Profit	Balance	Loss	Total
1984	64 (56.1)	17 (14.9)	33 (28.9)	114 (100)
1987	85 (55.2)	30 (19.5)	39 (25.3)	154 (100)
1988	109 (53.4)	34 (16.7)	61 (29.9)	204 (100)
1989	139 (58.9)	41 (17.4)	56 (23.7)	236 (100)
1990	156 (51.5)	55 (18.2)	92 (30.4)	303 (100)

Table III-19. Cumulative Busiess Performance From Start of Operations

	Profit from the start	Change from loss to profit	Balance	Loss from the start	Change from profit to loss	Total
1970	12(36.4)	11(33.3)	3(9.1)	6(18.2)	1(3.0)	33(100)
~1975	8(28.6)	15(53.6)	2(7.1)	1(3.6)	2(7.1)	28(100)
~1980	9(29.0)	16(51.6)	1(3.2)	3(9.7)	2(6.5)	31(100)
~1985	7(17.5)	23(57.5)	3(7.5)	5(12.5)	2(5.0)	40(100)
1986	4(26.7)	8(53.3)	1(6.7)	2(13.3)	-(-)	15(100)
1987	4(13.8)	12(41.4)	2(6.9)	10(34.5)	1(3.4)	29(100)
1988	6(16.7)	14(38.9)	2(5.6)	13(36.1)	1(2.8)	36(100)
1989	-(-)	8(30.8)	3(11.5)	15(57.7)	-(-)	26(100)
1990	2(8.3)	-(-)	4(16.7)	17(70.8)	1(4.2)	24(100)
Unknown	10(23.8)	14(33.3)	8(19.0)	10(23.8)	-(-)	42(100)
Total	62(20.4)	121(39.8)	29(9.5)	82(27.0)	10(3.3)	304(100)

Table III-20. Factors in Losses of Japanese-Affiliated Local Corporations (multiple responses)

Industry type	①	②	③	④	⑤	⑥	⑦	⑧	
Processing/assembly	27	5	4	4	1	-	9	5	55
General machinery	8	1	2	2	1	-	1	2	17
Electronics/electrical machinery	12	3	2	2	-	-	7	1	27
Transportation machinery	2	-	-	-	-	-	-	-	2
Precision machinery	5	1	-	-	-	-	1	2	9
Parts industries	16	4	-	-	2	2	6	1	31
Material industries	26	8	6	1	4	2	18	7	72
Others	3	-	-	1	-	-	2	1	7
Total	72	17	10	6	7	4	35	14	165

① Because the company has just begun operations
② Labor costs are too high
③ Market scale has shrunk
④ Reduced market share due to increasingly intense competition with other Japanese-affiliated companies
⑤ Reduced market share due to increasingly intense competition with European companies
⑥ Competitiveness has declined
⑦ Cost of capital--such as burden of interest payments--is too great
⑧ Others

If we look at recent (1990) business performance by industry, we see that those in the black leaned toward clothing/textile products (71.4 percent), pharmaceuticals (71.4 percent), electronic/electrical machinery (61.2 percent), transportation machinery (69.2 percent), and others (73.1 percent). Those in the red lean toward textiles (42.9 percent), ceramics/stones (50 percent), metal products (42.9 percent), and electronic parts (41.5 percent).

Table III-21. Business Performance Comparison by Form of Advance Into Europe (1990)

	Profit	Balance	Loss	Total
Wholly owned	100(61.7)	15(9.3)	47(29.0)	162(100)
Joint venture	36(60.0)	5(8.3)	19(31.7)	60(100)
Capital participation	16(72.8)	3(13.6)	3(13.6)	22(100)
Acquisition	27(50.0)	6(11.1)	21(38.9)	54(100)
Others	1(50.0)	-(-)	1(50.0)	2(100)

Furthermore, Table III-21 shows recent (1990) business performance by the form of advance into Europe. The highest percentage of companies in the black are those in the field of capital participation. In the previous survey, corporate acquisition was the highest and capital participation was lowest with the exception of "others." However, by a combined percentage in the black or in balance, the percentages by rank order are capital participation (86.4 percent), wholly-owned companies (71 percent), joint venture (68.3 percent), and corporate acquisitions (61.1 percent), the same ranking as in the previous survey.

Regarding their cumulative business performance since starting operations, 304 companies responded: 62 companies (20.4 percent) indicated "profitable from

the start"; "change from loss to profit" was indicated by 121 companies (39.8 percent); "loss from the start" by 82 companies (27 percent); and "change from profit to loss" by 10 companies (3.3 percent); while "balance" was reported by 29 companies (9.5 percent).

Table III-22. Cumulative Business Performance in View of Industry Type

	Total	Profit from the start	Change from loss to profit	Balance from the start	Loss from the start	Change from profit to loss
Processing/assembly	131(100)	33(25.2)	53(40.5)	10 (7.6)	29(22.1)	6 (4.6)
General machinery	31(100)	6(19.4)	12(38.7)	3 (9.7)	8(25.8)	2 (6.5)
Electronics/ electrical machinery	69(100)	19(27.5)	28(40.6)	5 (7.2)	13(18.8)	4 (5.8)
Transportation machinery	13(100)	2(15.4)	9(69.2)	- (-)	2(15.4)	- (-)
Precision machinery	18(100)	6(33.3)	4(22.2)	2(11.1)	6(33.3)	- (-)
Parts industries	66(100)	10(15.2)	27(40.9)	7(10.6)	19(28.8)	3 (4.5)
Raw materials	66(100)	6 (9.1)	28(42.4)	7(10.6)	24(36.4)	1 (1.5)
Chemical products	50(100)	10(20.0)	21(42.0)	3 (6.0)	14(28.0)	2 (4.0)
Others	26(100)	7(26.9)	13(50.0)	1 (3.8)	4(15.4)	1 (3.8)
Total	339(100)	66(19.5)	142(41.9)	28 (8.3)	90(26.5)	13 (3.8)

Table III-22 summarizes the results of this particular phase of the survey by industry (in this survey some industries are counted more than once). Companies having a higher percentage of "profitable from the start" are found in processing and assembly industries and in the "others" category. Among processing and assembly industries, electronic/electrical machinery (27.5 percent) and precision machinery (33.3 percent) have high percentage figures. Other industries showing a high percentage for "profitable from the start" are clothing/textiles (42.9 percent), raw material industry, and pharmaceuticals (57.1 percent) within the chemical industry. High percentage figures for "change from loss to profit" are found in the raw materials and chemical product industries: foodstuffs (50 percent), rubber products (55.6 percent), ceramics and stone (66.7 percent), in raw material type industries, chemicals (46.5 percent) in the chemical products industries, and processing and assembly companies (69.2 percent) in the transportation machinery industries.

The industries having higher percentage figures on the combination of "profitable from the start" and "change from loss to profit" are electronic/electrical machinery (68.1 percent) and transportation machinery (84.6 percent) in the processing and assembly industries, clothing/textiles (71.4 percent), rubber products (66.6 percent), ceramics/stone (66.7 percent) in the raw-material type industries, and chemicals (60.5 percent) and pharmaceuticals (71.4 percent) in the chemical products industries. In other words, industries for processing and assembly, raw materials, and for chemical products have a high percentage of companies "profitable from the start" or with "change from loss to profit." Among these, the transportation machinery, rubber products and chemical industries have relatively lower percentage figures for "profitable from the start" of 15.4, 11.1, and 14 percent, respectively. Conversely, these industries have high percentage figures for

"change from loss to profit." In short, there are industries for which early profits were difficult but that had a high percentage of shifts from loss to profit.

On the other hand, industries having higher percentage figures for "loss from the start" are foodstuffs (35.7 percent), textiles (42.9 percent), and metal products (36.8 percent). Relatively high percentage figures for this same category are also found in the rubber products (33.3 percent), ceramics/stone (33.3 percent), electronic parts (32.5 percent), and precision machinery (33.3 percent) industries.

Table III-23 shows cumulative business performances by the number of company employees. There is a clear demarcation at the level of 500 employees. There is a high percentage of corporations profitable from the start for corporations with more than 500 employees, and the percentage of the companies which have changed from loss to profit has reached nearly 60 percent. As a result, the percentage of corporations in the red from the start is extremely low.

Table III-23. Cumulative Business Performance In View of Number of Employees

	Total	Profit from the start	Change from loss to profit	Balance from the start	Loss from the start	Change from profit to loss
Total	304(100)	62(20.4)	121(39.8)	29 (9.5)	82(27.0)	10 (3.3)
More than 500 employees	42(100)	10(23.8)	24(57.1)	2 (4.8)	4 (9.5)	2 (4.8)
200-499 employees	61(100)	13(21.3)	23(37.7)	7(11.5)	17(27.9)	1 (1.6)
100-199 employees	56(100)	11(19.6)	24(42.9)	1 (1.8)	16(28.6)	4 (7.1)
Less than 100 employees	120(100)	20(16.7)	48(40.0)	11 (9.2)	38(31.7)	3 (2.5)
Unknown	25(100)	8(32.0)	2 (8.0)	8(32.0)	7(28.0)	- (-)

(2) Primary Use of Profits Is for "Reinvestment To Build the Factories and Facilities"

We had the 183 companies which responded with "profitable from the start" and "change from loss to profit" how they spent or used their profits in terms of six different answers. In this survey, the companies were allowed to choose multiple answers out of these six. We received 284 answers from 169 companies.

The greatest number of responses was "reinvestment to reinforce production capacity of factories, etc.," chosen by 134 companies (79.3 percent of 169 companies responding). Ranked second was "new investment for product diversification" chosen by 79 companies (46.7 percent). Ranked third was "remitting the profits to Japan as dividends," chosen by 46 companies (27.2 percent of 169 companies responding).

Table III-24 summarizes the result of these responses by industry. Since the same industries are counted more than one time, there were 328 responses from 208 companies. The percentage of companies responding with "reinvestment in factories and facilities" is high for the electronic/electrical machinery (52.1 percent), electronic parts (53.3 percent), and chemical industries (51.2 percent), and, among raw material industries, for the foodstuffs (55.6

percent), rubber products (62.5 percent), ceramics/stone (60 percent), and metal products industries (55.6 percent). Especially characteristic among them is the electronic parts industry showing an extremely low percentage (6.7 percent) for "remitting the profits to Japan as dividends" compared to other industries, and a high percentage (36.7 percent) for "new investment for product diversification."

Table III-24. Use of Profits (multiple responses)

	Total	①	②	③	④	⑤	⑥
Processing/assembly	133(100)	63(47.4)	18(13.5)	35(26.3)	5 (3.8)	3 (2.3)	9 (6.8)
General machinery	25(100)	11(44.0)	4(16.0)	5(20.0)	- (-)	1 (4.0)	4(16.0)
Electronics, electrical machinery	71(100)	37(52.1)	8(11.3)	19(26.8)	3 (4.2)	- (-)	4 (5.6)
Transportation machinery	20(100)	8(40.0)	2(10.0)	9(45.0)	1 (5.0)	- (-)	- (-)
Precision machinery	17(100)	7(41.2)	4(23.5)	2(11.8)	1 (5.9)	2(11.8)	1 (5.9)
Parts industries	53(100)	26(49.1)	5 (9.4)	19(35.8)	1 (1.9)	- (-)	2 (3.8)
Electronic parts	30(100)	16(53.3)	2 (6.7)	11(36.7)	- (-)	- (-)	1 (3.3)
Transportation machinery	23(100)	10(43.5)	3(13.0)	8(34.8)	1 (4.3)	- (-)	1 (4.3)
Raw materials	49(100)	24(49.0)	9(18.4)	10(20.4)	2 (4.1)	1 (2.0)	3 (6.1)
Chemical products	52(100)	24(46.2)	12(23.1)	15(28.8)	1 (1.9)	- (-)	- (-)
Chemicals	43(100)	22(51.2)	9(20.9)	11(25.6)	1 (2.3)	- (-)	- (-)
Pharmaceuticals	9(100)	2(22.2)	3(33.3)	4(44.4)	- (-)	- (-)	- (-)
Others	41(100)	17(41.5)	9(22.0)	13(31.7)	1 (2.4)	- (-)	1 (2.4)
Grand total	328(100)	154(47.0)	53(16.2)	92(28.0)	10 (3.0)	4 (1.2)	15 (4.6)

①Reinvested profits to strengthen facilities capacity such as building more plants
②Remitted them to Japan as dividends
③New investment for product diversification
④Recycled part of profits to local society
⑤Invested in financial assets, real estate, etc.
⑥Others

The pharmaceuticals industry has an especially low response rate for "reinvestment in factories and facilities" (22.2 percent). This industry had high percentage figures for "remitting the profits to Japan as dividends" and "new investment for product diversification."

Other than the electronic parts industries, electronic/electrical machinery (11.3 percent), transportation machinery (10 percent), foodstuffs (11.1 percent), rubber products (12.5 percent), and metal products (11.1 percent) have low response rates for "remitting the profits to Japan as dividends."

Transportation and its parts industries have a slightly lower response rate compared to other industries for "reinvestment in factories and facilities" and, even more so, for "remitting the profits to Japan as dividends." The industry tends to have a higher response rate for "investment for product diversification."

(3) Labor-Management Relations Are Good--Problems Are Absenteeism, Overtime, and Holiday Work

To our question related to problem areas in labor management, 194 companies responded with a total of 311 items. Eight companies (4.1 percent of the companies responding), five companies of which are those by acquisition) responded with "labor-management relations are poor." The number of companies responding with "there are many strikes" is only five (2.6 percent of the

companies responding). The result emerges that the labor and management relationship of Japanese-affiliated manufacturing companies in Europe is generally good (Table III-25).

Table III-25. Labor Management Problems by Country (multiple responses)

	Total	Poor labor management relations	High turnover rate	Many strikes	High absentee rate	Difficult to make work overtime	Difficult to implement 3-shift system	Difficult to make work holidays	Others
Total	311(100)	8 (2.6)	52(16.7)	5 (1.6)	63(20.3)	62(19.9)	20 (6.4)	59(19.0)	42(13.5)
United Kingdom	98(100)	- (-)	33(33.7)	- (-)	26(26.5)	11(11.2)	4 (4.1)	9 (9.2)	15(15.3)
France	39(100)	1 (2.6)	4(10.3)	- (-)	7(17.9)	7(17.9)	2 (5.1)	9(23.1)	9(23.1)
Germany	56(100)	1 (1.8)	6(10.7)	- (-)	13(23.2)	14(25.0)	4 (7.1)	11(19.6)	7(12.5)
Southern Europe	50(100)	4 (8.0)	2 (4.0)	5(10.0)	3 (6.0)	12(24.0)	3 (6.0)	15(30.0)	6(12.0)
Northern Europe	15(100)	- (-)	1 (6.7)	- (-)	4(26.7)	5(33.3)	- (-)	3(20.0)	2(13.3)
Benelux	47(100)	- (-)	5(10.6)	- (-)	9(19.1)	13(27.7)	6(12.8)	12(25.5)	2 (4.3)
Others	6(100)	2(33.3)	1(16.7)	- (-)	1(16.7)	- (-)	1(16.7)	- (-)	1(16.7)

The items most indicated were "absenteeism is high," by 63 companies (32.5 percent of the companies responding), followed by "it is difficult to have workers work overtime" by 62 companies (32 percent), and "it is difficult to have workers work on holidays" by 59 companies (30.4 percent). As with the results from the previous survey, differences emerge in the work and societal customs between Europe and Japan. The fourth most indicated item was "high rate of turnover" by 52 companies (26.8 percent). The item "it is difficult to adopt the triple-shift system" received responses from 20 companies (10.3 percent), a relatively low number indicating the triple-shift system does not cause so negative a reaction as the "overtime requirement."

Table III-25 summarizes the response on labor management problems by country and region. One characteristic is that the U.K.'s responses are concentrated in "high turnover rate" and "absenteeism is high," the French response rate is high for "it is difficult to have workers work on holidays," and the German response rate is high for "it is difficult to have workers work overtime" and "absenteeism is high." The characteristic of southern Europe is the relatively high percentage figures for "labor-management relations are poor," "there are many strikes," and "it is difficult to have workers work on holidays" than the other countries. On the other hand, the response rate figures for "high turnover rate," and "it is difficult to have workers work on holidays" are extremely low. In northern Europe, response rate figures for "it is difficult to have workers work overtime," and "absenteeism is high" are particularly higher than elsewhere, while those on "high turnover rate" are lower than in southern Europe. For the Benelux countries, the response rate figures on "it is difficult to have workers work overtime," and "it is difficult to have workers work on holidays" are relatively high, but the figure "high turnover rate" is not too high.

Table III-26 summarizes this by "it is difficult to have workers work overtime." The predominant features of this summary are as follows. The response rate for "poor labor management relations" is relatively high in the raw materials industries; "absenteeism is high" is high for electronic/electrical machinery industries; "it is difficult to have workers work overtime" is high for precision machinery industries and "other industries; "it is difficult to have workers work on holidays" is high for the transportation machinery and "other" industries.

Table III-26. Labor Management Problems by Industry (multiple responses)

	Total	Poor labor management relations	High turnover rate	Many strikes	High absentee rate	Difficult to make work overtime.	Difficult to implement 3-shift system	Difficult to make work holidays	Others
Total	363(100)	10 (2.8)	60(16.5)	7 (1.9)	73(20.1)	72(19.8)	22 (6.1)	70(19.3)	49(13.5)
Processing/assem.	141(100)	2 (1.4)	25(17.7)	2 (1.4)	36(25.5)	29(20.6)	7 (5.0)	21(14.9)	19(13.5)
General machin.	28(100)	- (-)	5(17.9)	1 (3.6)	5(17.9)	7(25.0)	2 (7.1)	3(10.7)	5(17.9)
Electronics/ elec.machin.	82(100)	2 (2.4)	16(19.5)	- (-)	26(31.7)	14(17.1)	5 (6.1)	11(13.4)	8 (9.8)
Transport.machin.	13(100)	- (-)	2(15.4)	1 (7.7)	2(15.4)	2(15.4)	- (-)	5(38.5)	1 (7.7)
Precision machin.	18(100)	- (-)	2(11.1)	- (-)	3(16.7)	6(33.3)	- (-)	2(11.1)	5(27.8)
Parts	92(100)	3 (3.3)	16(17.4)	2 (2.2)	19(20.7)	17(18.5)	5 (5.4)	17(18.5)	13(14.1)
Chemical prod.	38(100)	1 (2.6)	7(18.4)	1 (2.6)	6(15.8)	7(18.4)	4(10.5)	8(21.1)	4(10.5)
Raw materials	63(100)	4 (6.3)	10(15.9)	2 (3.2)	9(14.3)	12(19.0)	3 (4.8)	14(22.2)	9(14.3)
Others	25(100)	(-)	2 (8.0)	- (-)	3(12.0)	6(24.0)	3(12.0)	8(32.0)	3(12.0)
Design R&D cent.	4(100)	- (-)	- (-)	- (-)	- (-)	1(25.0)	- (-)	2(50.0)	1(25.0)

Of the 52 companies responding with "high turnover rate," 37 companies provided actual turnover rate figures, with an average rate of 27.5 percent. There are 23 companies (62.1 percent), the largest number, answered in the range of a 10~39 percent turnover rate; five companies indicated rate of over 50 percent. Similarly, 35 of 63 companies responded concerning absentee rates, 35 companies. The average absentee rate is 15.1 percent: 6~7 percent for nine companies (25.7 percent), 8~9 percent for seven companies (20 percent), and 10~19 percent for 10 companies (28.6 percent). Five companies had a rate of more than 50 percent. As to the number of strikes, two of five companies answered. One company had 3~4 incidents; the other company more than five.

(Note)

(1) The turnover rate is calculated by:

$$\frac{\text{Number of resignations among the factory workers who have been hired during the last one-year period}}{\text{Number of factory workers hired during the last one-year period}} \times 100$$

(2) The absentee rate is calculated by

$$\frac{\text{Annual set number of working days} - \text{actual number of days worked per year}}{\text{Annual set number of working days}} \times 100$$

Concerning labor unions, 302 companies responded; 139 (46 percent) companies responded there "are" labor unions and 163 companies (54 percent) there "are not" labor unions. In other words, nearly one-half of the corporations have labor unions.

Viewing the number of companies responding that there "are" labor unions by country and region, we see that there are 71 companies (40.6 percent) in the United Kingdom, France, and Germany, 36 companies (59 percent) in southern Europe, 11 companies (55 percent) in northern Europe, 15 companies (39.5 percent) in the Benelux countries, and six companies in "others." There is a high rate that there "are" labor unions in southern Europe and northern

Europe. By "it is difficult to have workers work overtime", we see there are 70 companies (53.8 percent) in the processing and assembly industry, 28 companies (43.8 percent) in the parts industry, 27 companies (40.3 percent) in the raw materials industry, and 22 companies (44 percent) in the chemical products industry. Industries with an especially large number of companies having unions are the textile industry (six companies or 85.7 percent), the transportation machinery industry (11 companies or 84.6 percent), ceramics/stone industry (five companies or 83.3 percent), and general machinery industry (18 companies or 60 percent).

Viewing the numbers and rates of corporations with unions by the number of employees, we see there are 14 (77.8 percent) for those with more than 1,000 employees, 38 (70.4 percent) for those between 300~1,000 employees, 57 companies (67.9 percent) with 100~300 employees, and 26 (21.5 percent) with fewer than 100 employees. The rate for there to be unions is lower the fewer employees a corporation has.

Viewed by form of advance into Europe, we see for corporations that have unions that 58 (35.6 percent) were wholly-owned companies, 31 (52.5 percent) joint venture companies, 13 (59.1 percent), capital participation companies, and 34 (65.4 percent) acquired companies. The union rate was lowest for wholly-owned corporations and highest for corporate acquisitions.

IV. Localization Efforts of Japanese-Affiliated Manufacturers in Europe

1. Steady Improvements in Production Localization

(1) Rate of Local Parts Procurement by Wholly-Owned Companies Has Increased Markedly

In the questionnaire, we had companies do their locally manufactured major products in three categories, and to enter the procurement rates for local parts and raw materials used in each product separately. For the procurement rates for local parts and raw materials at the time they started operations, we received responses from 217 companies for a total of 333 answers. According to the responses, 102 companies (47 percent) have a procurement rate of less than 51 percent for parts and raw materials produced within the EC community, eight companies (3.7 percent) have a rate of 50 percent, 107 companies (49.3 percent) have one of over 51 percent. The average rate was 52.4 percent. Moreover, the procurement rate in the EFTA was less than 50 percent for 211 companies (97.2 percent), 50 percent for one company (0.5 percent), and less than 50 percent by five companies (2.3 percent); the average procurement rate was 2.7 percent. Consequently, the local parts and raw material procurement rate at the time when the companies started operations (the sum of those within the EC community and in the EFTA) is 55.1 percent.

On the other hand, concerning procurement for the local parts and raw materials in the 1990 survey, we received 223 responses for a total of 354 responses. The number of companies within the EC countries which have a procurement rate of less than 50 percent is 65 (29.1 percent of 223 companies); 50 percent, seven (3.1 percent); and over 51 percent, 151 (67.7

percent). The average procurement rate of the companies within the EC countries was 64.9 percent. The procurement rate in EFTA countries is less than 50 percent for 216 companies (96.9 percent); 50 percent, two companies (0.9 percent); and over 51 percent five companies (2.2 percent). The average procurement rate was 4 percent. Consequently, the 1990 local procurement rate for Japanese-affiliated manufacturers in Europe was 68.9 percent.

This resulted in an improvement of 13.8 points over the 55.1 percent at the time these companies started operations. Viewed by form of advance into Europe, the "acquired" companies have the highest procurement rate, followed by capital participation, joint ventures, and wholly-owned companies in that order. This order has not changed since the time when these companies started. The largest improvement in the procurement rate is in the wholly-owned companies, where the rate increased by 20.1 points from 43 percent to the current 63.1 percent. The next largest improvement was made by joint venture companies, from 55 percent at the time of their start to 68.1 percent, an improvement of 13.1 percent.

Viewed by years operations began, there is a relatively high percentage of wholly-owned companies that began operations in 1989 or 1990. Even so, they show the characteristic of a high procurement rate for local parts and raw materials from the start of operations. It is thought that the high procurement rate—63.4 percent—for local parts and raw materials at the start of operations for corporations that started operations before 1970 is connected to the many cases of advance into Europe at that time in the form of joint ventures, acquisitions, and capital participation.

(2) Manufacturing and Assembly Industries Have Shown Great Improvement in Local Parts Procurement Rate

Table IV-1 summarizes by industry the local parts and raw material procurement rates. The rate for manufacturing/assembly industries increased by 17.4 points from the startup time to 60.7 percent in the 1990 survey; the parts industries, by 14.4 points to 66.7 percent; the raw material industries, by 6.5 points to 75 percent; the chemical products industries, by 10.8 points to 83.1 percent; and "other" product type industries, by 27 points to 70.1 percent. The improvement in the local parts and raw materials procurement rate is the highest in the processing and assembly industries except that for "other" industries.

Among the processing and assembly industries, the general machinery industry increases its local parts procurement rate by 15.1 points to reach 75.7 percent in the 1990 survey; the electronic/electrical machinery industry, by 20.7 points to reach 52.8 percent; the transportation machinery, by 11.1 points to reach 67.3 percent; and the precision machinery industry by 13 points to reach 57.2 percent. Although the local parts procurement rate of the electronic/electrical machinery industry is the lowest for all industries in the 1990 survey, it had the most improvement, as it did in the previous survey. The reason why the local parts procurement rate is low in the electronic/electrical machinery industry and in the precision machinery industry reflects the difficulty of localizing the core technology (for TVs,

Table IV-1. Procurement Rate for Major Product Parts and Raw Materials (in %)

	At time operations started (333 items)				As of 1990 (354 items)			
	Within EC	EFTA	EFTA Japan	Others	Within EC	EFTA	EFTA Japan	Others
Processing/assembly	42.5	0.8	54.5	2.2	58.1	2.6	33.0	6.3
General machinery	60.4	0.2	38.6	0.8	70.6	5.1	23.0	1.3
Electronics/electrical machinery	31.8	0.3	64.7	3.2	51.8	1.0	37.0	10.2
Transportation machinery	55.7	0.5	43.8	0.0	65.6	1.7	31.7	1.0
Precision machinery	40.0	4.2	53.1	2.7	52.2	5.0	38.8	4.0
Parts industries	46.1	6.2	45.6	2.1	60.6	6.1	31.1	2.2
Electronic parts	38.8	3.4	54.1	3.7	55.7	3.1	37.5	3.7
Transportation machinery	56.1	10.0	33.9	—	67.4	10.1	22.4	0.1
Raw materials	64.1	4.4	23.5	8.0	68.8	6.2	15.3	9.7
Chemical products	70.0	2.3	23.3	4.4	79.7	3.4	14.7	2.2
Other products	43.0	0.1	52.4	4.5	69.9	0.2	23.4	6.5
Total	52.4	2.7	40.9	4.0	65.0	3.9	25.6	5.5

(1) Procurement rates for parts and raw materials given here are obtained by simply averaging the survey responses on different types of products
(2) The questionnaire asked each company to determine the parts and materials procurement rate by the following formula:

$$\text{Parts and raw materials procurement rate (\%)} = \frac{\text{Value of factory shipments—Imports (parts, etc.)—on customs clearance basis}}{\text{Value of factory shipments}} \times 100$$

for example, cathode ray tubes). Furthermore, the electronic parts industry has improved the local parts procurement rate by a large margin of 16.6 points.

(3) Forty Percent of Japanese-Affiliated European Companies Reported That Their Rate for Local Parts Procurement Had "Increased"

Regarding the change in the local procurement rate for parts and raw materials, 262 companies have responded; 104 companies (39.7 percent of the 262 companies responding) answered that "the procurement rate for local parts and raw material utilization has increased," 18 companies (6.9 percent) answered that it has "decreased," and 140 companies (53.4 percent) indicated "no change." The highest percentage of companies responding with "increased" were the wholly-owned companies (50 percent), by form of advance into Europe, those with more than 500 employees (65 percent) by number of employees, and companies with capital of more than $50 million (54.2 percent) by scale of investment. Table IV-2 depicts procurement rates by industry. The highest percentage of companies which reported that procurement rates "increased" is the processing and assembly industries (60.7 percent); at which the

Table IV-2. Changes in Procurement Rates for Parts and Materials

	Increase	No change	Decrease	Total
Processing/assemby	71 (60.7)	40 (34.2)	6 (5.1)	117 (100)
General machinery	11 (40.7)	16 (59.3)	- (-)	27 (100)
Electronics/electrical machinery	45 (72.6)	12 (19.3)	5 (8.1)	62 (100)
Transportation machinery	6 (50.0)	5 (41.7)	1 (8.3)	12 (100)
Precision machinery	9 (56.3)	7 (43.7)	- (-)	16 (100)
Parts industries	24 (40.0)	30 (50.0)	6 (10.0)	60 (100)
Chemical products	9 (20.9)	31 (72.1)	3 (7.0)	43 (100)
Raw materials	15 (25.4)	40 (67.8)	4 (6.8)	59 (100)
Others	6 (24.0)	16 (64.0)	3 (12.0)	25 (100)
Total	125 (41.1)	157 (51.7)	22 (7.2)	304 (100)

electronics/electrical machinery industry is the highest (72.6 percent). The local parts procurement rate of the electronic parts industry is also relatively high (47.1 percent).

As to the reasons for the increase in procurement rates, 101 companies responded with a total of 175 items (multiple response was allowed). Below are the top four items:

1) The quality of local corporations' parts and materials has improved (32 out of 101 companies, 32.7 percent)

2) We raised the local content rate of parts and raw materials which had previously been imported from outside Europe (30 of 101 companies, or 29.7 percent)

3) We switched procurement of parts and raw materials we had previously improved from outside Europe to Japanese-affiliated corporations in Europe (25 of 101 companies, or 24.8 percent)

4) We switched procurement of parts and raw materials which had previously been imported from outside Europe to other than Japanese-affiliated parts manufacturers (22 of 101 companies, or 21.8 percent)

The second ranking reason, shown above, was ranked fourth in the previous survey. "Local companies have developed the capability to supply the required amount of parts and materials," which ranked fourth in the previous survey, has fallen to fifth. It can be read from those top four reasons that 1) the quality of local parts and materials has improved 2) the manufacturing structure of Japanese-affiliated manufacturer has expanded, 3) and that the number of Japanese-affiliated as well as other non-European parts manufacturing companies in Europe has increased.

Table IV-3 summarizes the results by industry, which shows that "we raised the local content" ranked first or its equivalent for the transportation machinery parts, precision machinery, chemical products, and other industries. In contrast, the electronics/electrical machinery industry shows the difference of higher weights for "quality of local companies has improved," "procurement

Table IV-3. Reasons for Increased Procurement Rates for Parts and Materials (multiple responses)

	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	Total
Processing/assembly	23	7	6	9	19	5	21	18	5	10	123
General machinery	1	1	-	1	2	1	3	2	2	5	18
Electronics/electrical machinery	17	5	5	7	10	4	16	14	1	3	82
Transportation machinery	2	1	-	-	2	-	-	1	1	1	8
Precision machinery	3	-	1	1	5	-	2	1	1	1	15
Parts industries	9	3	2	3	8	-	6	6	-	4	41
Electronic parts	6	1	1	1	5	-	6	6	-	3	29
Transportation machinery	3	2	1	2	3	-	-	-	-	1	12
Chemical products	2	-	1	3	3	-	1	1	-	1	12
Raw materials	3	-	4	1	4	-	1	-	-	6	19
Others	2	2	4	2	3	-	-	-	-	-	13
Total	39	12	17	18	37	5	29	25	5	21	208

Parts manufacturing industries = electronics parts and transportation equipment parts
Chemical products industries = chemicals and pharmaceuticals
Raw materials industries = foodstuffs, fibers, clothing, textiles, furniture, fixtures, pulp, paper, rubber products, ceramics and stone, steel, non-ferrous metals,and metal products

(Responses)

1. The quality of local corporations' parts and material has improved
2. Local manufacturers have begun to keep to delivery schedules
3. Prices for local corporations' parts and raw materials have decreased
4. Local corporations' production capability for parts and raw materials has improved so that the required quantity can now be obtained locally
5. We increased local production rate of parts and materials. We previously imported from outside Europe
6. We invited related parts and materials manufacturers from Japan to produce in Europe
7. We switched from parts and materials which we had been importing from outside Europe in the past, to those manufactured by Japanese-affiliated companies that had already advanced into Europe
8. We switched procurement of parts and materials we had previously been importing from outside Europe to corporations apart from Japanese-affiliated parts manufacturers that have advanced into Europe
9. We complied with the wishes of the local government
10. Others

from Japanese-affiliated corporations," and "procurement from other than Japanese-affiliated corporations."

When we asked 18 companies which responded that "the procurement rate for local parts and materials has de-clined" about their reasons, 16 companies gave a total of 25 responses (multiple responses). Shown below are the reasons listed in order of responses.

1) The prices of local corporations' parts and materials increased—seven companies (43.8 percent of the 16 companies responding)

2) Decline in quality of local corporations' parts and materials—four companies (25 percent)

3) Local corporations do not adhere to the promised delivery schedule—three companies (18.8 percent)

4) We lowered the local content of parts and materials and switched to imports from outside Europe as a cost strategy—three companies (18.8 percent)

5) The productivity of local corporations for parts and materials declined, resulting in difficulty in securing the required amount of products two companies (12.5 percent)

In addition, there were six companies responding with "others."

(4) Over Half the Japanese-Affiliated Manufacturers Have Local Subcontractors

The top reason for increasing the local procurement rate for parts and material procurement rate was "improvement in the quality of parts and materials of local corporations." As for Japanese-affiliated manufacturers having local subcontractors, 280 companies responded, 146 companies (52.1 percent) indicating "we have local subcontractors." Despite the significant increase in the number of Japanese-affiliated companies, the percentage of companies having local subcontractors was the same as in the previous survey (Table IV-4). Corporations with a high percentage having local contractors are those with more than 300 employees (72.7 percent); "by form of advance into Europe they are capital participation (68.4 percent), and joint venture companies (61 percent).

Related to the degree of satisfaction of Japanese-affiliated corporations with local subcontractors, 145 of 146 companies responded; of those, 47 (32.4 percent) indicated "we are satisfied." This degree of satisfaction was the same rate as in the previous survey. By the form of advance into Europe, there was a high degree of satisfaction for acquired corporations (39.1 percent), the joint venture (36.1 percent),the capital participation companies (33.3 percent), and wholly-owned companies (28.2 percent); wholly-owned companies were the least satisfied. Table IV-6 summarizes by industry the degree of satisfaction. It is especially low for the precision machinery and parts industries. It is 27.8 percent for the electronic parts industry, and 16.7 percent for the transportation machinery parts industry. Even the electronic/

Table IV-4. Status of Local Subcontractors (1): By Time of Survey
(figures in parentheses represent %)

	No. of Japanese-affiliated corporations with local subcontracting manufacturers	No. of Japanese-affiliated corporations with no local subcontracting manufacturers	No. of responding corporations
1984	24 (23.3)	79 (76.7)	103 (100)
1987	70 (47.0)	79 (53.0)	149 (100)
1988	98 (48.8)	103 (51.2)	201 (100)
1989	111 (52.1)	102 (47.9)	213 (100)
1990	146 (52.1)	134 (47.9)	280 (100)

Table IV-5. Status of Local Subcontractors (2): As of 1990

Industries	Have local subcontractors	Do not have local subcontractors	Total
Processing/assemby	85 (69.1)	38 (30.9)	123 (100)
General machinery	21 (77.8)	6 (22.2)	27 (100)
Electronics/electrical machinery	41 (61.2)	26 (38.8)	67 (100)
Transportation machinery	10 (83.3)	2 (16.7)	12 (100)
Precision machinery	13 (76.5)	4 (23.5)	17 (100)
Parts industries	36 (55.4)	29 (44.6)	65 (100)
Chemical products	15 (31.9)	32 (68.1)	47 (100)
Raw materials	27 (44.3)	34 (55.7)	61 (100)
Others	8 (29.6)	19 (70.4)	27 (100)
Total	171 (52.9)	152 (47.1)	323 (100)

Table IV-6. Degree of Satisfaction With Local Subcontractors

Industries	Satisfied	Dissatisfied	Total
Processing/assemby	24 (28.6)	60 (71.4)	84 (100)
General machinery	7 (35.0)	13 (65.0)	20 (100)
Electronics/electrical machinery	12 (29.3)	29 (70.7)	41 (100)
Transportation machinery	3 (30.0)	7 (70.0)	10 (100)
Precision machinery	2 (15.4)	11 (84.6)	13 (100)
Parts industries	8 (22.2)	28 (77.8)	36 (100)
Chemical products	5 (33.3)	10 (66.7)	15 (100)
Raw materials	13 (48.1)	14 (51.9)	27 (100)
Others	3 (37.5)	5 (62.5)	8 (100)
Total	53 (31.2)	117 (68.8)	170 (100)

electrical machinery industry, which ranked first on "improved quality of local corporations," has a low degree of satisfaction of 29.3 percent. The percentage of companies with local subcontractors does not necessarily coincide with the degree of satisfaction.

Well, then, what were their reasons for dissatisfaction? We had them choose multiple answers from three items: "quality," "price," and "delivery schedule." Ninety-eight companies that responded "dissatisfied" gave a total of 201 responses. Sixty-eight companies (69.4 percent) chose "quality"; 66 (67.3 percent), "price"; and 66 companies (67.3 percent), "delivery schedule." There is almost no difference in the three items. By form of advance into Europe, "quality" was highest among the wholly-owned companies (39 of 51 companies, or 76.5 percent). Other than that was "delivery schedule," chosen by 73.9 percent of the joint venture companies (17 of 23), 87.5 percent of the capital participation companies (seven of eight), and 78.6 percent of the corporate acquisition companies (11 of 14). By industry (Table IV-7), the processing and assembly industry showed more dissatisfaction with price and delivery schedule than quality. For other industries, there was a high degree of dissatisfaction with quality.

Table IV-7. Reasons for Dissatisfaction With Local Subcontractors (multiple responses)

Industries	Quality	Price	Delivery schedule	Others	Total
Processing/assemby	37(29.6)	44(35.2)	43(34.4)	1 (0.8)	125(100)
General machinery	8(27.6)	11(37.9)	10(34.5)	- (-)	29(100)
Electronics/electrical machinery	18(31.0)	20(34.5)	19(32.8)	1 (1.7)	58(100)
Transportation machinery	4(28.6)	5(35.7)	5(35.7)	- (-)	14(100)
Precision machinery	7(29.2)	8(33.3)	9(37.5)	- (-)	24(100)
Parts industries	20(34.5)	17(29.3)	20(34.5)	1 (1.7)	58(100)
Chemical products	9(42.9)	7(33.3)	5(23.8)	- (-)	21(100)
Raw materials	10(43.5)	7(30.4)	6(26.1)	- (-)	23(100)
Others	5(41.7)	3(25.0)	4(33.3)	- (-)	12(100)
Total	81(34.0)	78(32.6)	78(32.6)	2 (0.8)	239(100)

When we asked the companies that responded "we do not have subcontractors" about their efforts to cultivate subcontractors, 90 companies responded: 22 companies (24.4 percent) indicated "we are cultivating subcontractors," and 68 companies (75.6 percent) indicated "we are not cultivating subcontractors." In the previous survey, 21.4 percent said "we are cultivating subcontractors," and for the survey before that 15.7 percent. Therefore, perhaps we can say that cultivation is steadily improving. By year of start of corporations, there is a visible trend for a high response rate for "we are training subcontractors" for corporations that started operations in recent years: 45.5 percent for 1988, 50 percent for 1989, and 25 percent since 1990, which is still higher than in other periods. The result is that consciousness of "subcontractor cultivation" is high for corporations that have recently advanced into Europe. By industry, the response "we are cultivating subcontractors" is relatively high for the processing and assembly industries (Table IV-8), given the industry's character.

Table IV-8. Status of Local Subcontractor Cultivation

Industries	Cultivating	Not cultivating	Total
Processing/assemby	11 (35.5)	20 (64.5)	31 (100)
General machinery	2 (50.0)	2 (50.0)	4 (100)
Electronics/electrical machinery	7 (31.8)	15 (68.2)	22 (100)
Transportation machinery	1 (50.0)	1 (50.0)	2 (100)
Precision machinery	1 (33.3)	2 (66.7)	3 (100)
Parts industries	6 (30.0)	14 (70.0)	20 (100)
Chemical products	4 (25.0)	12 (75.0)	16 (100)
Raw materials	4 (19.0)	17 (81.0)	21 (100)
Others	1 (7.1)	13 (92.9)	14 (100)
Total	26 (25.5)	76 (74.5)	102 (100)

When we asked the 22 companies which responded "we are cultivating subcontractors" how they were doing it, we received 26 responses. Eighteen companies (81.8 percent of the 22 companies) responded with "technical support," two companies (9.1 percent) with "manpower support, one company (4.5 percent) with "financial support," and five companies (22.7 percent) with "other."

2. Progress in Assigning Local Hires to Management Positions and in the Transfer of Authority to the Field

(1) 30 Percent of Corporations Have Assigned Local Hires to the Highest Management Positions

Related to the assignment of local hires to management positions and the localization of management, 308 companies responded; 206 companies (66.9 percent) indicated that "management localization has been making progress" (Table IV-9). By form of advance into Europe, wholly-owned companies (55.7 percent) gave the lowest response rate for "management localization has been making progress" (167 of 308 companies, or 54.2 percent). However, although more than 60 percent of the corporations starting operations in Europe since 1990, 75.9 percent of them indicated "management localization is progressing," a proportion higher than those of corporations that started operations in the 1970s and 1980s. In other words, one can see the trend that companies starting operations since 1990 are localizing management to a great degree from the moment they advance into Europe.

By industry, the processing and assembly industry's response rate for "localization of management has been making progress" is high compared to other types of industry. By country/region, management localization is a step ahead in the major three countries (the United Kingdom, Germany, and France).

To what positions then, are assignments of local hires progressing? To this question, almost one-third of the 305 companies—95 companies (31.1 percent)—responded "top positions of responsibility." This is followed by 65 companies (21.3 percent) each who answered with "vice-presidents" and "division chiefs" and 36 companies (11.8 percent) who answered with "factory managers" (Table IV-10). By number of employees, there is a clear difference of companies responding "top positions of responsibility" between those having more than 200 employees and those with fewer than 200 employees. The response rate is higher for companies having more than 200 employees. Also, by form of advance

Table IV-9. Management Participation of Local Hires

	Total	Making progress	Not making progress	Unknown
By industry				
Grand total	357(100)	242(67.8)	88(24.6)	27 (7.6)
Processing/assembly	134(100)	106(79.1)	20(14.9)	8 (6.0)
General machinery	31(100)	23(74.2)	6(19.4)	2(6.4)
Electronics/electric machinery	71(100)	55(77.5)	10(14.1)	6(8.4)
Transportation machinery	14(100)	14(100)	- (-)	- (-)
Precision machinery	18(100)	14(77.8)	4(22.2)	- (-)
Parts industries	69(100)	43(62.3)	22(31.9)	4 (5.8)
Chemical products	49(100)	29(59.2)	15(30.6)	5(10.2)
Raw materials	65(100)	41(63.1)	16(24.6)	8(12.3)
Others	26(100)	14(53.8)	10(38.5)	2 (7.7)
Design R&D centers	14(100)	9(64.3)	5(35.7)	- (-)
By country				
Grand total	308(100)	206(66.9)	79(25.6)	23 (7.5)
United Kingdom	93(100)	62(66.7)	23(24.7)	8 (8.6)
France	38(100)	30(79.0)	4(10.5)	4(10.5)
Germany	51(100)	36(70.6)	13(25.5)	2 (3.9)
Southern Europe	60(100)	38(63.3)	17(28.3)	5 (8.4)
Northern Europe	20(100)	9(45.0)	10(50.0)	1 (5.0)
Benelux	39(100)	25(64.1)	11(28.2)	3 (7.7)
Others	7(100)	6(85.7)	1(14.3)	- (-)
By form of advance into Europe				
Wholly-owned	167(100)	93(55.7)	59(35.3)	15 (9.0)
Joint venture	62(100)	50(80.7)	10(16.1)	2 (3.2)
Capital participation	18(100)	17(94.4)	- (-)	1 (5.6)
Corporate acquisitions	54(100)	43(79.6)	7(13.0)	4 (7.4)
Others	4(100)	2(50.0)	1(25.0)	1(25.0)
Unclear	3(100)	1(33.3)	2(66.7)	- (-)

into Europe, the response rate for "top positions of responsibility" is markedly low for the wholly-owned companies, reaching only 7.5 percent. The response rate is highest for capital participation companies (90 percent), followed by joint venture companies (61.3 percent), and corporate acquisition companies (47.3 percent).

Next, when we asked about where local hires have responsibility, we received 1,223 responses from 294 companies (Table IV-11). Departments that 50 percent of the companies responding indicated were "labor personnel" (76.5 percent), "general affairs" (66 percent), "manufacturing" (61.2 percent), and "accounting" (51 percent). All of these departments have a great deal of contact with the local employees and laborers. By form of advance into Europe, looking at departments indicated by over 50 percent of the corporations, they

Table IV-10. Highest Executive Positions of Local Hires—By Form of Advance Into Europe

	Total	Chief executive officer	Vice president	Factory manager	Department director	Division chief	Section chiefs	Others
Grand total	305	95	65	36	65	23	7	14
	(100)	(31.1)	(21.3)	(11.8)	(21.3)	(7.5)	(2.3)	(4.6)
Number of employees								
Over 500 employees	42	16	10	4	7	1	-	4
	(100)	(38.1)	(23.8)	(9.5)	(16.7)	(2.4)	(-)	(9.5)
200～499 employees	62	27	15	7	11	-	-	2
	(100)	(43.5)	(24.2)	(11.3)	(17.7)	(-)	(-)	(3.2)
100～199 employees	53	14	14	6	11	8	-	-
	(100)	(26.4)	(26.4)	(11.3)	(20.8)	(15.1)	(-)	(-)
Less than 100 employees	118	22	24	18	31	12	5	6
	(100)	(18.6)	(20.3)	(15.3)	(26.3)	(10.2)	(4.2)	(5.1)
Unclear	30	16	2	1	5	2	2	2
	(100)	(53.3)	(6.7)	(3.3)	(16.7)	(6.7)	(6.7)	(6.7)
Form of advance into Europe								
Wholly-owned corporations	161	12	39	22	51	22	5	10
	(100)	(7.5)	(24.2)	(13.7)	(31.7)	(13.7)	(3.1)	(6.2)
Joint venture corporations	62	38	11	6	5	-	1	1
	(100)	(61.3)	(17.7)	(9.7)	(8.1)	(-)	(1.6)	(1.6)
Capital participation	20	18	-	1	1	-	-	-
	(100)	(90.0)	(-)	(5.0)	(5.0)	(-)	(-)	(-)
Corporate acquisition	55	26	14	7	5	-	-	3
	(100)	(47.3)	(25.5)	(12.7)	(9.1)	(-)	(-)	(5.5)
Others	4	1	-	-	2	-	1	-
	(100)	(25.0)	(-)	(-)	(50.0)	(-)	(25.0)	(-)
Unclear	3	-	1	-	1	1	-	-
	(100)	(-)	(33.3)	(-)	(33.3)	(33.3)	(-)	(-)

were the labor personnel, general affairs, and manufacturing departments for wholly-owned corporations. For joint ventures and corporate acquisitions, however, they are advertising, sales, and accounting in addition to the three above. For processing and assembly industries companies it is nearly all the departments.

Lastly, we had 79 companies which responded that "localization of management has not been progressing" give the reasons why. We received a total of 94 answers from 77 companies (multiple answers were allowed). The most numerous response was "it is not necessary because the scale (sales and production) of the office is small" given by 42 companies (54.5 percent of the 77 companies responding). Next most numerous was "because it is difficult to get outstanding people" by 22 companies (28.6 percent) (Table IV-12). Companies answering "scale of business is small" were concentrated among corporations having fewer than 100 employees (31 companies with fewer than 100 employees, 23.7 percent of them responded that the localization of management is not progressing because "scale of business is small."

Table IV-11. Departments for Which Local Hires Are Responsible

	Total No. of responses	Total companies responding	Wholly-owned companies	Joint ventures	Capital participation	Corporate acquisitions	Others	Unclear
Grand total	1,223 (100)	294 (100)	156 (100)	63 (100)	17 (100)	52 (100)	3 (100)	3 (100)
Labor personnel	225 (18.4)	225 (76.5)	116 (74.4)	53 (84.1)	15 (88.2)	37 (71.2)	2 (66.7)	2 (66.7)
General affairs	194 (15.9)	194 (66.0)	99 (63.5)	42 (66.7)	14 (82.4)	37 (71.2)	1 (33.3)	1 (33.3)
Public relations	135 (11.0)	135 (45.9)	52 (33.3)	35 (55.6)	12 (70.6)	34 (65.4)	1 (33.3)	1 (33.3)
Sales	135 (11.0)	135 (45.9)	43 (27.6)	37 (58.7)	12 (70.6)	41 (78.8)	1 (33.3)	1 (33.3)
Manufacturing	180 (14.7)	180 (61.2)	80 (51.3)	44 (69.8)	12 (70.6)	41 (78.8)	2 (66.7)	1 (33.3)
Accounting	150 (12.3)	150 (51.0)	63 (40.4)	39 (61.9)	13 (76.5)	33 (63.5)	1 (33.3)	1 (33.3)
Financial	99 (8.1)	99 (33.7)	31 (19.9)	31 (49.2)	13 (76.5)	24 (46.2)	- (-)	- (-)
R & D	68 (5.6)	68 (23.1)	21 (13.5)	16 (25.4)	10 (58.8)	20 (38.5)	1 (33.3)	- (-)
Others	37 (3.0)	37 (12.6)	22 (14.1)	6 (9.5)	4 (23.5)	4 (7.7)	- (-)	1 (33.3)

Table IV-12. Reasons Why Management Participation of Local Hires Is Not Making Progress

	No. of responses	①	②	③	④	⑤
Grand total	94 (100)	22 (23.4)	6 (6.4)	7 (7.4)	42 (44.7)	17 (18.1)
Number of employees						
Over 500	7 (100)	4 (57.1)	- (-)	1 (14.3)	- (-)	2 (28.6)
200~499	14 (100)	7 (50.0)	1 (7.2)	3 (21.4)	3 (21.4)	- (-)
100~199	11 (100)	1 (9.1)	3 (27.3)	1 (9.1)	3 (27.3)	3 (27.3)
Less than 100	53 (100)	9 (17.0)	2 (3.8)	2 (3.8)	31 (58.4)	9 (17.0)
Unclear	9 (100)	1 (11.1)	- (-)	- (-)	5 (55.6)	3 (33.3)

① It is difficult to find outstanding talent
② As the policy of our parent company, we do not have local hires participate in management
③ Communication with non-Japanese managers is inadequate
④ It is not necessary, given the size of the office (sales production)
⑤ Others

(2) Over 90 Percent of the Companies Indicated That There "Has Been a Transfer of Authority From the Parent Company"

To the question "has there been a sufficient transfer of authority from your parent company" 290 companies responded; among these, 269 companies (92.8 percent) answered "there has been a transfer." By form of advance into Europe, there were high percentages for corporations that responded that there had been a transfer in the order of acquired, wholly-owned, and joint venture companies. Only capital participation corporations were low compared to the others which was characteristic of the previous survey as well (Table IV-13).

Table IV-13. Transfer of Authority From Parent Company With Respect to the Form of Advance Into Europe

	Total	Has been transferred	Has not been transferred
Total (inclusive of those unclear)	290 (100)	269 (92.8)	21 (7.2)
Wholly-owned companies	157 (100)	147 (93.6)	10 (6.4)
Joint venture	56 (100)	51 (91.1)	5 (8.9)
Capital participation	15 (100)	12 (80.0)	3 (20.0)
Corporate acquisition	54 (100)	51 (94.4)	3 (5.6)
Others	4 (100)	4 (100)	- (-)

By industry, there is a high percentage of corporations that responded that there "has been" a transfer in the processing and assembly industry (96.8 percent), the parts industry (93.7 percent), the chemical product industry (93.6 percent), the raw material industry (91.5 percent), in that order. Within the processing and assembly industry, the figures are general machinery (96.4 percent), electronics/electrical machinery (98.5 percent), transportation machinery (100 percent), and precision machinery (88.9 percent).

Also, to the question, "are your parent company's wishes reflected locally" 284 companies responded; of those, 241 companies (84.9 percent), responded "they are reflected" (Table IV-14). There is a lower percentage for wishes being reflected than that for authority being transferred. Here, too, the percentage for reflecting the parent company's wishes is lower for processing and assembly industries companies. It can be thought that this is because the authority of the local company at reflectivity strong composed to that for other forms of advance into Europe.

We now understand that for over 90 percent of the Japanese-affiliated manufacturers in Europe there has been a sufficient transfer of authority and

Table IV-14. Reflection of Parent Company's Wishes in Local Areas

	Total	Reflected	Not reflected
Total (includes unclear)	284 (100)	241 (84.9)	43 (15.1)
Wholly-owned companies	154 (100)	128 (83.1)	26 (16.9)
Joint venture	54 (100)	48 (88.9)	6 (11.1)
Capital participation	14 (100)	8 (57.1)	6 (42.9)
Corporate acquisition	54 (100)	50 (92.6)	4 (7.4)
Others	4 (100)	3 (75)	1 (25.0)

Table IV-15. Scope of Authority Transferred From Parent Companies to Local Corporations (multiple responses)

	No. responses	No.companies
Totals	2,798 (100)	296 (100)
1. Change in capital	7 (0.3)	7 (2.4)
2. Appointment of officers	21 (0.8)	21 (7.1)
3. Profit utilization	32 (1.1)	32 (10.8)
4. Capital investment	124 (4.4)	124 (41.9)
5. Change of manufacturing methods	178 (6.4)	178 (60.1)
6. Sales of new products	115 (4.1)	115 (38.9)
7. Determination of investments	32 (1.1)	32 (10.8)
8. Borrowing for capital investment	102 (3.6)	102 (34.5)
9. Production and sales planning	244 (8.7)	244 (82.4)
10.Borrowing for operating funds	173 (6.2)	173 (58.4)
11.Raw materials procurement	254 (9.1)	254 (85.8)
12.Changes in customers	170 (6.1)	170 (57.4)
13.Setting wages	256 (9.1)	256 (86.5)
14.Employment of managers	229 (8.2)	229 (77.4)
15.Change in employment policy	260 (9.3)	260 (87.8)
16.Change in management organization	190 (6.8)	190 (64.2)
17.Change in working system	259 (9.3)	259 (87.5)
18.Determination of advertising strategies	148 (5.3)	148 (50.0)
19.Others	4 (0.1)	4 (1.4)

that they have been left to manage themselves independently. Well, what kind of authority has been most transferred? We had the companies choose multiple responses to 19 items. We received 2,798 responses in all from 296 companies (Table IV-15). The top five answers the companies chose are 1) changes in labor employment, 2) changes in work situation, 3) wage determination, 4) raw material procurement, and 5) production and sales planning. All these items were chosen by more than 80 percent of the responding companies. In addition, "hiring of managers," "changes in management organization," and "changes in the manufacturing method" were indicated at the 60~70 percent level. This shows that behind production localization transfer of authority has been implemented at many companies and local authority has been widely recognized almost across the board.

On the other hand, however, transfer of authority from headquarters has still not progressed in such areas as changes in capital, appointments of executives, the determination of loan recipients, and the handling of profits.

3. Responding to Local Needs by Localized Product R&D

(1) R&D Localization System Has Made Progress

The number of Japanese-owned design/R&D centers (departments attached to branch offices, research institutes, and factories) in Europe has almost doubled from the previous survey, from 73 to 140. Concerning the year of establishing these design/R&D centers, 82 companies provided answers. According to these replies, 11 companies established the design/R&D centers before 1970; between 1971 and 1975, four; between 1976 and 1980, 10; between 1981 and 1985, eight; between 1986 and 1990, 49. During 1988, 1989, and 1990, 14, 17, and six such centers were established, respectively; their number has increased rapidly in recent years. The average number of researchers for the 101 responding companies is 39. The average number of Japanese researchers in these design/R&D centers for the 66 responding companies, is four. Concerning the contents of these design/R&D centers, we also received a total of 204 responses from 105 companies. According to these responses, their 22 companies conduct basic research (21 percent of the companies responding); in 70 companies new product development, (66.7 percent); 67 companies, changes in product design specifications (63.8 percent); 32 companies, the development of product manufacturing processes (30.5 percent); and 13 companies "others" (12.4 percent).

These replies indicate that a Japanese corporate R&D system in Europe has been making rapid progress in recent years, but what do Japanese-affiliated manufacturers in Europe think about localization of an R&D system?

- All basic research, product development, design, and planning is centralized at headquarters—61 companies (23.3 percent)

- In order to meet customer's needs, a part of the design is transferred to the field—120 companies (45.8 percent).

• We establish such bases internationally as basic research, product development, and design centers and plan for the globalization of corporate activities—81 companies (30.9 percent).

These responses indicate that 76.7 percent of all Japanese-affiliated manufacturers in Europe have expressed the desire to localize all or some R&D (Table IV-16).

Table IV-16. Localization of R&D Structure

	Total No. of responses	All R&D centralized at headquarters	Local affiliates responsible for some R&D	Bases established internationally
Grand total	262 (100)	61 (23.3)	120 (45.8)	81 (30.9)
By country				
United Kingdom	83 (100)	24 (28.9)	38 (45.8)	21 (25.3)
France	35 (100)	6 (17.1)	16 (45.7)	13 (37.2)
Germany	47 (100)	8 (17.0)	27 (57.5)	12 (25.5)
Southern Europe	46 (100)	12 (26.1)	20 (43.5)	14 (30.4)
Northern Europe	15 (100)	4 (26.7)	3 (20.0)	8 (53.3)
Benelux	31 (100)	6 (19.3)	15 (48.4)	10 (32.3)
Others	5 (100)	1 (20.0)	1 (20.0)	3 (60.0)
By capital				
More than $100 million	11 (100)	4 (36.4)	2 (18.2)	5 (45.4)
$50 to 99.99 million	6 (100)	1 (16.7)	1 (16.7)	4 (66.6)
$10 to 49.99 million	70 (100)	12 (17.1)	42 (60.0)	16 (22.9)
$5 to 9.99 million	49 (100)	12 (24.5)	21 (42.8)	16 (32.7)
$1.01 to 4.99 million	73 (100)	23 (31.5)	34 (46.6)	16 (21.9)
Less than $1 million	43 (100)	8 (18.6)	19 (44.2)	16 (37.2)
Unclear	10 (100)	1 (10.0)	1 (10.0)	8 (80.0)
By industry				
Industry totals	305 (100)	72 (23.6)	142 (46.6)	91 (29.8)
Processing/assembly	121 (100)	22 (18.2)	75 (62.0)	24 (19.8)
General machinery	26 (100)	6 (23.1)	17 (65.4)	3 (11.5)
Electronics/electrical machinery	66 (100)	14 (21.2)	40 (60.6)	12 (18.2)
Transportation machinery	12 (100)	- (-)	8 (66.7)	4 (33.3)
Precision machinery	17 (100)	2 (11.8)	10 (58.8)	5 (29.4)
Parts industries	60 (100)	18 (30.0)	24 (40.0)	18 (30.0)
Electronic parts	32 (100)	10 (31.2)	15 (46.9)	7 (21.9)
Transportation machinery	28 (100)	8 (28.6)	9 (32.1)	11 (39.3)
Raw materials	48 (100)	18 (37.5)	21 (43.8)	9 (18.7)
Chemical products	39 (100)	12 (30.8)	12 (30.8)	15 (38.4)
Design/R&D centers	15 (100)	- (-)	3 (20.0)	12 (80.0)
Others	22 (100)	2 (9.1)	7 (31.8)	13 (59.1)

When these results are analyzed by the capital size of the Japanese-affiliated manufacturers in Europe, those with more than $50 million have the highest weight for "establishing bases internationally." In contrast, the greatest weight for corporations with less than $50 million capital is for "leasing part of the field." The desire for the globalization of their research system is stronger for companies with large amounts of capital.

By industry, the high percentage in processing/assembly industry answered "part is left to the field." If this percentage is added to that for "establishment of bases internationally," it becomes 81.8 percent, the desire of the processing/assembly industry to localize its R&D system is very high. In contrast, "centralize everything at headquarters" has a relatively high weight in industries engaged in the parts, raw materials, and chemical products industries.

As the reasons for "centralizing everything at headquarters," 57 companies provided answers on 74 question items (multiple answers were allowed). The item checked most by the companies were "there is no margin to disperse our strength in funds and personnel," chosen by 34 companies (59.6 percent of 57 companies responding). In second was "company's growth is based on the development of our own technologies," chosen by 21 companies (36.8 percent). The response "Japanese ideas and designs are good enough" was small, chosen by 12 companies (21.1 percent) (Table IV-17).

Table IV-17. Reasons for Main Office Centralization of R&D Activities

	Total No. of responses	①	②	③	④
Grand total	74(100)	21(28.4)	12(16.2)	34(45.9)	7 (9.5)
By country					
United Kingdom	31(100)	10(32.2)	4(12.9)	14(45.2)	3 (9.7)
France	7(100)	- (-)	- (-)	6(85.7)	1(14.3)
Germany	12(100)	3(25.0)	2(16.7)	5(41.6)	2(16.7)
Southern Europe	12(100)	4(33.4)	1 (8.3)	6(50.0)	1 (8.3)
Northern Europe	5(100)	1(20.0)	4(80.0)	- (-)	- (-)
Benelux	6(100)	2(33.3)	1(16.7)	3(50.0)	- (-)
Others	1(100)	1(100)	- (-)	- (-)	- (-)
By industry					
Grand total	87(100)	23(26.5)	13(14.9)	43(49.4)	8 (9.2)
Processing/assembly	32(100)	8(25.0)	6(18.8)	13(40.6)	5(15.6)
Parts industries	18(100)	3(16.7)	3(16.7)	11(61.1)	1 (5.5)
Raw materials industries	20(100)	7(35.0)	3(15.0)	8(40.0)	2(10.0)
Chemical products	14(100)	4(28.6)	1 (7.1)	9(64.3)	- (-)
Others	3(100)	1(33.3)	- (-)	2(66.7)	- (-)

① Because the company considers its unique technological development to be the foundation of its corporate growth
② Japanese-type ideas and design are considered sufficient
③ There are not enough resources and manpower in the companies to spread them
④ Other reasons

(2) Responding to Local Product Needs, Intensifying Technological Competition

We had 201 companies which had recognized the need for localization of the R&D system to choose multiple answers from nine items. We received answers from 165 companies for a total of 483 responses. The top four items are given below (Table IV-18).

1) It is necessary that products we produce locally meet local needs—139 companies (84.2 percent of 165 companies)

Table IV-18. Reasons for Promoting Localization of R&D Structure (multiple responses

	Total	①	②	③	④	⑤	⑥	⑦	⑧	⑨
Grand total	483	139	74	11	32	95	65	25	35	7
	(100)	(28.8)	(15.3)	(2.3)	(6.6)	(19.7)	(13.5)	(5.2)	(7.2)	(1.4)
Three major European countries	312	92	48	7	18	57	39	19	28	4
	(100)	(29.5)	(15.4)	(2.2)	(5.8)	(18.3)	(12.5)	(6.1)	(9.0)	(1.2)
Southern Europe	90	26	13	4	4	22	13	3	4	1
	(100)	(28.9)	(14.4)	(4.5)	(4.5)	(24.4)	(14.4)	(3.3)	(4.5)	(1.1)
Northern Europe	27	4	6	-	2	5	5	3	1	1
	(100)	(14.8)	(22.2)	(-)	(7.4)	(18.5)	(18.5)	(11.1)	(3.7)	(3.7)
Benelux	44	15	5	-	6	9	6	-	2	1
	(100)	(34.1)	(11.4)	(-)	(13.6)	(20.5)	(13.6)	(-)	(4.5)	(2.3)
Others	10	2	2	-	2	2	2	-	-	-
	(100)	(20.0)	(20.0)	(-)	(20.0)	(20.0)	(20.0)	(-)	(-)	(-)
Statistics by industry	556	160	87	13	35	111	73	27	43	7
	(100)	(28.8)	(15.6)	(2.3)	(6.3)	(20.0)	(13.1)	(4.9)	(7.7)	(1.3)
Processing/ assembly	229	66	39	7	12	43	24	15	23	-
	(100)	(28.8)	(17.0)	(3.1)	(5.2)	(18.8)	(10.5)	(6.6)	(10.0)	(-)
Parts industries	112	33	14	3	7	24	13	4	11	3
	(100)	(29.4)	(12.5)	(2.7)	(6.3)	(21.4)	(11.6)	(3.6)	(9.8)	(2.7)
Raw materials industries	57	16	8	2	5	11	7	3	2	3
	(100)	(28.0)	(14.0)	(3.5)	(8.8)	(19.3)	(12.3)	(5.3)	(3.5)	(5.3)
Chemical products	56	17	10	1	2	12	10	2	2	-
	(100)	(30.3)	(17.8)	(1.8)	(3.6)	(21.4)	(17.9)	(3.6)	(3.6)	(-)
Design/R&D centers	46	11	10	-	7	8	6	2	2	-
	(100)	(23.9)	(21.7)	(-)	(15.2)	(17.4)	(13.0)	(4.4)	(4.4)	(-)
Others	56	17	6	-	2	13	13	1	3	1
	(100)	(30.3)	(10.7)	(-)	(3.6)	(23.2)	(23.2)	(1.8)	(5.4)	(1.8)

(1) It is necessary to meet local needs with goods produced locally
(2) To broaden R&D in concepts and way of thinking by employing foreign researchers
(3) To respond to future technological friction
(4) Joint research with foreign corporations
(5) To quickly grasp local trends and meet increasingly intense competition
(6) To reduce the lead time from R&D to commercialization
(7) The shortage of R&D personnel in Japan
(8) In line with being treated as an insider
(9) Others

2) To respond to intensifying technological competition by understanding local trends—95 companies (57.6 percent)

3) To broaden the range of concepts and ways of thinking in employing foreign researchers—74 companies (44.8 percent)

4) To shorten the lead time from R&D to commercialization—65 companies (39.4 percent)

These results reflect the pressing necessity for understanding needs of local consumers and to localize R&D activities from the product development stage in order to respond to intensifying competition to capture the local market share of products that is accompanying an increasingly active European market. In order to understand local needs, technologies suitable to local needs are demanded, and companies must anticipate that technological competition will increase.

By industry, too, all industries have chosen to respond to local product needs as their first reason for localization of R&D activities. This shows it is the most important goal for the R&D localization of Japanese-affiliated manufacturing companies in Europe.

Table IV-19. Participation or Lack Thereof in Local Economic Organizations by Country and Industry (number of companies responding in each country)

	Total	Participating	Not participating
By country			
Totals	296 (100)	190 (64.2)	106 (35.8)
United Kingdom	92 (100)	63 (68.5)	29 (31.5)
France	38 (100)	21 (55.3)	17 (44.7)
Germany	50 (100)	34 (68.0)	16 (32.0)
The Netherlands	20 (100)	8 (40.0)	12 (60.0)
Belgium	13 (100)	10 (76.9)	3 (23.1)
Luxembourg	1 (100)	1 (100)	- (-)
Ireland	14 (100)	12 (85.7)	2 (14.3)
Spain	34 (100)	19 (55.9)	15 (44.1)
Italy	10 (100)	8 (80.0)	2 (20.0)
Finland	2 (100)	1 (50.0)	1 (50.0)
Norway	- (-)	- (-)	- (-)
Sweden	1 (100)	- (-)	1 (100)
Denmark	2 (100)	- (-)	2 (100)
Austria	6 (100)	4 (66.7)	2 (33.3)
Portugal	9 (100)	6 (66.7)	3 (33.3)
Switzerland	1 (100)	- (-)	1 (100)
Greece	2 (100)	2 (100)	- (-)
Iceland	1 (100)	1 (100)	- (-)
By industry			
Totals	342 (100)	218 (63.7)	124 (36.3)
Processing/assembly	129 (100)	89 (69.0)	40 (31.0)
General machinery	31 (100)	18 (58.1)	13 (41.9)
Electronics/electrical machinery	67 (100)	52 (77.6)	15 (22.4)
Transportation machinery	12 (100)	9 (75.0)	3 (25.0)
Precision machinery	19 (100)	10 (52.6)	9 (47.4)
Parts industries	66 (100)	43 (65.2)	23 (34.8)
Chemical products	47 (100)	31 (66.0)	16 (34.0)
Raw materials	60 (100)	37 (61.7)	23 (38.3)
Others	40 (100)	18 (45.0)	22 (55.0)

4. Penetration of Local Society and Points for Avoiding Investment Friction

(1) Steady Improvement in Creating Close Ties to Local Industry

The results of this survey have shown that the close ties between Japanese-affiliated manufacturers in Europe and local industry has developed steadily. To our question as to whether or not a company was participating in local economic organizations, we received "we are participating" answers from 190 companies of 269 companies which responded (64.2 percent) (Table IV-19). The percentage of "we are participating" answers to the same question in the previous survey was 53.4 percent. The participation rate in local economic organizations has increased by more than 10 points. By industry, the high response rates for "we are participating" is given, as the previous survey, by the processing/assembly industry—including the electronics/electrical machinery industry (77.6 percent)—and the transportation machinery (75 percent) industry. By form of advance into Europe, the highest response rate for "we are participating" was given by corporate acquisition companies (77.6 percent); the lowest rate was given by the wholly-owned companies (59 percent). Although this result was identical to the previous one, the rate for "we are participating" for the wholly-owned companies increased by seven points from 52 percent in the previous survey.

Concerning the relationship between Japanese-affiliated manufacturers in Europe and local economic organizations, 256 companies responded, the most popular answer was "we have often attended meetings as a member and have been accepted as a local company," chosen by 111 companies (43.4 percent) (Table IV-20). The same question in the previous survey received 35.2 percent for the similar response, so the percentage of these Japanese-affiliated manufacturers being accepted as local companies has steadily improved. The second-ranking answer to the same question was "we are a member but our degree of participation is passive" chosen by 72 companies (28.1 percent).

By country/region, the percentage of corporations "accepted as a local corporation" tends to be higher in Germany, southern Europe, northern Europe, and the Benelux countries than in the United Kingdom and France. This trend had also been shown in the previous survey. By industry, the percentage of the companies "is accepted as a local corporation" is high for the processing and assembly industries (50.9 percent) and chemical products (46.3 percent) industries. Within the processing and assembly industry, it is high for the electronics/electrical machinery industry (54.8 percent) and transportation machinery industry (72.2 percent).

(2) Future Issue Is Creating Close Ties to Local Community

To the question "does your company conduct cultural and social activities in the local society," 290 companies gave a total of 296 responses. The top four items are shown below (Table IV-21):

1) "Our company does not have a specific policy, but we participate in local community activities when the need arises—159 companies (54.8 percent of 290 companies responding).

Table IV-20. Relationship With Local Economic Organizations

		①	②	③	④	⑤	⑥
By industry							
Grand total	294(100)	122(41.5)	88(29.9)	23 (7.8)	1 (0.3)	44(15.0)	16 (5.5)
Processing/assembly	114(100)	58(50.9)	27(23.7)	9 (7.9)	1 (0.9)	14(12.3)	5 (4.4)
General machinery	24(100)	9(37.5)	8(33.3)	2 (8.3)	1 (4.2)	3(12.5)	1 (4.2)
Electronics/electric machinery	62(100)	34(54.8)	15(24.2)	4 (6.5)	- (-)	6 (9.7)	3 (4.8)
Transportation machinery	11(100)	8(72.7)	2(18.2)	- (-)	- (-)	1 (9.1)	- (-)
Precision machinery	17(100)	7(41.2)	2(11.8)	3(17.6)	- (-)	4(23.5)	1 (5.9)
Parts industries	53(100)	18(34.0)	25(47.2)	2 (3.8)	- (-)	6(11.3)	2 (3.7)
Chemical products	41(100)	19(46.3)	10(24.4)	2 (4.9)	- (-)	7(17.1)	3 (7.3)
Raw materials	50(100)	18(36.0)	14(28.0)	3 (6.0)	- (-)	12(24.0)	3 (6.0)
Others	23(100)	8(34.8)	8(34.8)	6(26.1)	- (-)	1 (4.3)	- (-)
Design/R&D centers	13(100)	1 (7.7)	4(30.8)	1 (7.7)	- (-)	4(30.8)	3(23.0)
By country							
Grand total	256(100)	111(43.4)	72(28.1)	21 (8.2)	1 (0.4)	36(14.1)	15 (5.8)
United Kingdom	79(100)	33(41.8)	30(38.0)	2 (2.5)	1 (1.3)	9(11.4)	4 (5.0)
France	35(100)	10(28.6)	8(22.9)	4(11.4)	- (-)	6(17.1)	7(20.0)
Germany	44(100)	24(54.5)	7(15.9)	5(11.4)	- (-)	5(11.4)	3 (6.8)
Southern Europe	47(100)	22(46.8)	14(29.8)	5(10.6)	- (-)	6(12.8)	- (-)
Northern Europe	17(100)	8(47.1)	4(23.5)	3(17.6)	- (-)	2(11.8)	- (-)
Benelux	28(100)	12(42.9)	8(28.6)	1 (3.5)	- (-)	7(25.0)	- (-)
Others	6(100)	2(33.3)	1(16.7)	1(16.7)	- (-)	1(16.7)	1(16.7)

(1) We frequently attend meetings as a regular member and are accepted as a local company
(2) Although a member, we are passive in degree of contact
(3) No intention to become a member
(4) We want to become a member, but are rejected
(5) There is no such organization
(6) Others

2) "Our company responds in choosing responsible offices and people and based on specific policies"—40 companies (13.8 percent).

3) "We have almost never experienced such activities"—33 companies (11.4 percent).

4) "Our company actively provides funds and budgets and sets clear operational guidelines"—29 companies (10 percent).

These results are nearly the same as those of the previous survey; the degree of penetration into local society is still low and much more is to be desired. By industry, the processing and assembly industries are making a relatively great effort for closer communication with local society. Their percentage figures for "active participation under clear operational guides" is 13.7 percent and for "participate under specific guidelines" is 20.2 percent, higher percentages than for the other industries.

Table IV-21. Cultural and Social Volunteer Activities in the Local Society (multiple responses)

	Totals	①	②	③	④	⑤	⑥	⑦
By industry								
Totals	338(100)	35(10.4)	48(14.2)	16(4.7)	182(53.8)	7(2.1)	14(4.1)	36(10.7)
Processing/assembly	124(100)	17(13.7)	25(20.2)	7(5.6)	60(48.4)	2(1.6)	3(2.4)	10(8.1)
General machinery	26(100)	4(15.4)	1(3.8)	1(3.8)	15(57.7)	1(3.8)	2(7.7)	2(7.7)
Electronics/electrical machin.	68(100)	9(13.2)	19(27.9)	5(7.4)	30(44.1)	1(1.5)	-(-)	4(5.9)
Transportation machinery	10(100)	2(20.0)	3(30.0)	-(-)	5(50.0)	-(-)	-(-)	-(-)
Precision machinery	20(100)	2(10.0)	2(10.0)	1(5.0)	10(50.0)	-(-)	1(5.0)	4(20.0)
Parts industries	65(100)	5(7.7)	8(12.3)	3(4.6)	39(60.0)	1(1.5)	5(7.7)	4(6.2)
Chemical products	48(100)	6(12.5)	7(14.6)	2(4.2)	26(54.2)	-(-)	2(4.2)	5(10.3)
Raw material industries	57(100)	4(7.0)	4(7.0)	2(3.5)	32(56.1)	4(7.0)	3(5.3)	8(14.1)
Others	28(100)	3(10.7)	2 (7.1)	1 (3.6)	18(64.3)	- (-)	1 (3.6)	3(10.7)
Design/R&D centers	16(100)	- (-)	2(12.5)	1 (6.3)	7(43.7)	- (-)	- (-)	6(37.5)
By country								
Totals	296(100)	29(9.8)	40(13.5)	16(5.4)	159(53.7)	6(2.0)	13(4.4)	33(11.1)
United Kingdom	95(100)	10(10.5)	20(21.1)	7(7.4)	49(51.6)	1(1.0)	3(3.1)	5(5.3)
France	36(100)	3(8.3)	3(8.3)	1(2.8)	19(52.8)	2(5.6)	3(8.3)	5(13.9)
Germany	46(100)	4(8.7)	5(10.9)	3(6.5)	27(58.7)	-(-)	3(6.5)	4(8.7)
Southern Europe	56(100)	7(12.5)	8(14.3)	3(5.4)	25(44.6)	2(3.6)	1(1.8)	10(17.8)
Northern Europe	20(100)	2(10.0)	1(5.0)	1(5.0)	15(75.0)	-(-)	-(-)	1(5.0)
Benelux	36(100)	2(5.6)	3(8.3)	1(2.8)	20(55.6)	1(2.8)	3(8.3)	6(16.6)
Others	7(100)	1(14.3)	-(-)	-(-)	4(57.1)	-(-)	-(-)	2(28.6)

(1) Actively participate in the local cultural and social activities by setting special funds and budgets aside, and establishing clear guidelines for such participation
(2) Participate in such activities through specific departments and personnel under specific guidelines
(3) Operate in accordance with the guidelines provided by headquarters
(4) Although there are no specific guidelines for such activities, the company participates socially as needed
(5) Since the local affiliate cannot make decisions for such activities, we participate only when it is absolutely necessary with the persmission of headquarters
(6) Passive
(7) The company has seldom participated in such activities

(3) Key Point for Avoiding Investment Friction Is Further Localization of Production and Management

With the increasing presence of Japanese-affiliated manufacturers in Europe, there is increasing concern about the growth of friction with local companies and society. How do Japanese-affiliated manufacturers in Europe anticipate the possibility of friction arising and its causes. To this question, 291 companies gave a total of 411 responses (multiple answers) from a choice of nine items. The most popular response was "we do not expect serious friction," chosen by 140 companies (48.1 percent of 291 companies responding). In other words, approximately half of the companies are optimistic about the possibility of friction arising (Table IV-22).

Table IV-22. Anticipated Future Friction With Local Industries and Society (multiple responses)

	Totals	①	②	③	④	⑤	⑥	⑦	⑧	⑨
By industry										
Totals	483	24	20	64	65	34	56	54	161	5
Processing/assembly	183	12	6	26	20	9	19	25	65	1
General machinery	40	1	1	5	9	-	4	5	15	-
Electronics/electrical machinery	101	8	4	15	7	3	11	16	36	1
Transportation machinery	19	1	-	2	1	3	3	3	6	-
Precision machinery	23	2	1	4	3	3	1	1	8	-
Parts industries	99	6	3	14	16	2	13	9	35	1
Electronics parts	58	4	2	8	9	-	7	5	22	1
Transportation machinery	41	2	1	6	7	2	6	4	13	-
Chemical products	72	1	5	8	11	16	4	14	12	1
Raw materials	76	3	2	7	13	5	10	5	31	-
Design/R&D centers	34	1	1	5	3	1	10	-	12	1
Others	19	1	3	4	2	1	-	1	6	1
By country										
Totals	411	18	16	56	56	28	47	46	140	4
By country 1: Four major countries	270	10	11	35	38	12	33	36	92	3
Other EC countries	130	7	5	20	15	16	14	10	42	1
Non-EC countries	11	1	-	1	3	-	-	-	6	-
By country 2: United Kingdom	143	4	4	22	16	6	21	20	48	2
France	44	2	2	4	7	1	4	3	21	-
Germany	66	3	5	7	11	4	6	11	18	1
Southern Europe	79	2	1	12	14	7	11	6	26	-
Northern Europe	22	3	2	3	2	3	1	1	7	-
Benelux	49	3	2	7	4	7	4	5	16	1
Others	8	1	-	1	2	-	-	-	4	-

(1) Friction resulting from advancing into industries which have been protected by the local government and by the EC
(2) Technological friction in high-tech areas
(3) Friction resulting from inadequate localization of management and production
(4) Backlash of labor unions and employees against Japanese-style management practice
(5) Rise of such citizen movements as environmental protection and consumer protection
(6) Backlash of local competitors
(7) Backlash by local society due to the overpresence of Japanese companies
(8) We do not think there will be any serious friction
(9) Others

On the other hand, the following are in order the top four responses as to the causes of friction when it does arise.

1) Friction due to inadequate localization of management and production—56 companies (19.2 percent).

2) Backlash against the Japanese-style management practice by labor unions and employees—56 companies (19.2 percent).

3) Backlash of local competitors—47 companies (16.2 percent)

4) Backlash by local society due to the overpresence of Japanese companies—46 companies (15.8 percent).

Summarizing these results, the recognition is shown that further localization of production and management based on local labor practices and industry situations is a necessary condition for avoiding friction.

Viewing the top four items by industry, we see as characteristic "such citizen movements as environmental protection and consumer protection movements" ranked first in the chemical products industry. "We anticipate no serious friction" is ranked third. This reflects the industries character as well as the current rise of environmental problems on a global scale (Table IV-23).

Table IV-23. Anticipated Friction With Local Industry and Society

	Total ranking	Processing/assembly	Parts manufacturing	Chemical products	Raw materials	Others	Design/R&D centers
2. Technological friction in high-tech areas							3
3. Friction from inadequate localization of management and production	3	2	3		4	3	2
4. Backlash of labor unions, employees against Japanese-style management	2	4	2	4	2	4	4
5. Citizen movements: environmental protection and consumer protection				1			
6. Backlash of local competitors	4		4		3	2	
7. Backlash against overpresence of Japanese companies		3		2			
8. We do not think there will be serious friction	1	1	1	3	1	1	1

By country/region, northern Europe and the Benelux countries rank "such citizen movements as environmental protection and consumer protection" second. It is thought that this is the result of the relatively high weight of the chemical products industry in both regions (25 percent for northern Europe, 34.1 percent for the Benelux countries) (Table IV-24).

Table IV-24. Anticipated Friction With Local Industry and Society—Top Four by Country and Region

	Total ranking	United Kingdom	France	Germany	Southern Europe	Northern Europe	Benelux	Others
1. Friction with industries protected by local government						2		3
3. Friction from inadequate localization of management and production	2	2	3	4	3	2	2	3
4. Backlash of labor unions, employees against Japanese-style management	2		2	2	2			2
5. Citizen movements: environmental protection and consumer protection						2	2	
6. Backlash of local competitors	4	3	3		4			
7. Backlash against overpresence of Japanese companies		4		2			4	
8. We do not think there will be serious friction	1	1	1	1	1	1	1	1

Summary of the Questionnaire Survey

1. What are the purposes and motivations for advancing into Europe?

	Total	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5	Response 6	Response 7	Response 8
Total number	100.0 338	100.0 1014	12.6 128	2.7 27	5.2 53	1.0 10	3.1 31	23.2 235	5.9 60	7.4 75
Industry type										
Subtotal	100.0 390	100.0 1181	12.7 150	2.6 31	5.4 64	1.1 13	3.1 37	23.3 275	5.7 67	7.3 86
Foodstuffs	100.0 14	100.0 29	6.9 2	6.9 2	- -	13.8 4	- -	17.2 5	- -	3.4 1
Textile industries	100.0 8	100.0 25	8.0 2	- -	8.0 2	4.0 1	- -	28.0 7	8.0 2	16.0 4
Clothing and textile products	100.0 7	100.0 14	- -	7.1 1	- -	- -	- -	42.9 6	7.1 1	7.1 1
Furniture/fixtures	100.0 1	100.0 2	- -	- -	- -	- -	- -	- -	- -	- -
Pulp and paper	100.0 1	100.0 2	- -	50.0 1	- -	- -	- -	50.0 1	- -	- -
Chemicals	100.0 48	100.0 124	12.9 16	4.8 6	0.8 1	1.6 2	3.2 4	22.6 28	3.2 4	9.7 12
Pharmaceuticals	100.0 8	100.0 18	5.6 1	11.1 2	- -	- -	5.6 1	38.9 7	- -	11.1 2
Rubber products	100.0 10	100.0 25	12.0 3	- -	4.0 1	- -	8.0 2	20.0 5	- -	4.0 1
Ceramics and stone	100.0 6	100.0 15	6.7 1	6.7 1	- -	6.7 1	- -	33.3 5	- -	6.7 1
Iron and steel	100.0 2	100.0 4	- -	- -	- -	- -	- -	50.0 2	- -	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 73	12.3 9	4.1 3	1.4 1	2.7 2	4.1 3	26.0 19	6.8 5	9.6 7
General machinery	100.0 32	100.0 106	9.4 10	1.9 2	5.7 6	- -	5.7 6	21.7 23	7.5 8	8.5 9
Electronics/electrical machinery	100.0 72	100.0 266	16.2 43	0.8 2	10.5 28	- -	3.4 9	20.3 54	7.9 21	7.5 20
Electronics parts	100.0 46	100.0 143	10.5 15	0.7 1	3.5 5	0.7 1	0.7 1	23.1 33	8.4 12	4.9 7
Transportation machinery	100.0 15	100.0 55	14.5 8	3.6 2	16.4 9	- -	7.3 4	20.0 11	7.3 4	7.3 4
Transportation machinery parts	100.0 34	100.0 103	12.6 13	2.9 3	6.8 7	1.9 2	2.9 3	24.3 25	3.9 4	8.7 9
Precision machinery	100.0 19	100.0 55	16.4 9	1.8 1	3.6 2	- -	1.8 1	23.6 13	7.3 4	3.6 2
Design/R&D centers	100.0 15	100.0 40	2.5 1	- -	- -	- -	- -	30.0 12	2.5 1	5.0 2
Others	100.0 27	100.0 82	20.7 17	4.9 4	2.4 2	- -	3.7 3	23.2 19	1.2 1	4.9 4

(1) To respond to increased demand, the company policy has changed from export to local manufacturing
(2) To reduce production costs
(3) To avoid discriminatory import quotas against Japanese products
(4) To secure inexpensive raw materials
(5) To avoid the risks of exchange rate fluctuation
(6) As part of the company's globalization strategy
(7) Concerns about protectionism accompanying EC market unification
(8) In order to enjoy expanded economic activities

Response 9	Response 10	Response 11	Response 12	Response 13	Response 14	Response 15	Response 16	Response 17	Response 18	Response 19	No response
3.5	1.8	4.1	9.3	3.2	2.0	1.8	3.9	5.7	0.6	3.2	4.4
35	18	42	94	32	20	18	40	58	6	32	15
3.5	1.8	4.1	9.3	3.0	1.9	1.7	3.8	6.0	0.5	3.2	4.6
41	21	49	110	35	22	20	45	71	6	38	18
-	-	6.9	13.8	-	3.4	3.4	6.9	3.4	-	13.8	-
-	-	2	4	-	1	1	2	1	-	4	-
4.0	4.0	8.0	4.0	-	-	-	-	-	-	8.0	12.5
1	1	2	1	-	-	-	-	-	-	2	1
-	7.1	-	7.1	-	-	7.1	-	-	-	14.3	-
-	1	-	1	-	-	1	-	-	-	2	-
-	-	-	-	-	-	50.0	50.0	-	-	-	-
-	-	-	-	-	-	1	1	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
6.5	1.6	6.5	8.1	-	0.8	1.6	1.6	11.3	-	3.2	4.2
8	2	8	10	-	1	2	2	14	-	4	2
11.1	-	11.1	-	-	-	-	5.6	-	-	-	12.5
2	-	2	-	-	-	-	1	-	-	-	1
-	-	4.0	4.0	4.0	12.0	-	-	20.0	-	8.0	20.0
-	-	1	1	1	3	-	-	5	-	2	2
-	6.7	13.3	-	-	-	6.7	6.7	-	-	6.7	-
-	1	2	-	-	-	1	1	-	-	1	-
-	-	-	25.0	-	-	-	-	-	-	25.0	-
-	-	-	1	-	-	-	-	-	-	1	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1.4	1.4	2.7	9.6	1.4	1.4	1.4	1.4	11.0	-	1.4	8.0
1	1	2	7	1	1	1	1	8	-	1	2
3.8	-	2.8	8.5	4.7	4.7	0.9	4.7	3.8	2.8	2.8	-
4	-	3	9	5	5	1	5	4	3	3	-
3.8	1.5	2.6	9.0	7.9	1.9	0.8	2.3	2.6	-	1.1	-
10	4	7	24	21	5	2	6	7	-	3	-
4.2	8.7	7.0	7.0	3.5	3.5	-	2.8	13.3	0.7	4.9	8.7
6	1	10	10	5	5	-	4	19	1	7	4
1.8	-	3.6	9.1	1.8	-	3.6	1.8	1.8	-	-	6.7
1	-	2	5	1	-	2	1	1	-	-	1
1.0	3.9	2.9	6.8	-	-	3.9	5.8	7.8	1.9	1.9	8.8
1	4	3	7	-	-	4	6	8	2	2	3
5.5	5.5	-	16.4	-	1.8	1.8	3.6	3.6	-	3.6	-
3	3	-	9	-	1	1	2	2	-	2	-
5.0	2.5	2.5	10.0	-	-	5.0	30.0	2.5	-	2.5	-
2	1	1	4	-	-	2	12	1	-	1	-
2.4	2.4	4.9	20.7	1.2	-	1.2	1.2	1.2	-	3.7	7.4
2	2	4	17	1	-	1	1	1	-	3	2

(9) As a strategy with an eye to an expanded European market due to realization of the European Economic Area (EEA) concept and liberalization of the Eastern European market
(10) Because the parent company advanced into Europe
(11) Preferential investment treatment is given in the area of taxation
(12) To respond to consumer needs
(13) To avoid violating antidumping regulations
(14) To avoid violating antidumping regulations imposed on parts
(15) To take advantage of European design
(16) To conduct R&D in Europe
(17) To supply parts to Japanese-affiliated manufacturers in Europe
(18) Acquisition of a U.S. company resulted in gaining a manufacturing base in Europe
(19) Others

2. What are the reasons and causes for choosing an area into which to advance? (multiple responses)

	Totals	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5
	100.0	100.0	10.6	9.1	12.4	5.8	7.0
	338	880	93	80	109	51	62
Industry types							
Subtotals	100.0	100.0	10.2	9.2	12.4	6.0	6.9
	390	1037	106	95	129	62	72
Foodstuffs	100.0	100.0	3.7	-	7.4	3.7	3.7
	14	27	1	-	2	1	1
Textile industries	100.0	100.0	-	7.7	15.4	-	-
	8	13	-	1	2	-	-
Clothing and textile products	100.0	100.0	6.7	-	13.3	13.3	6.7
	7	15	1	-	2	2	1
Furniture and fixtures	100.0	100.0	-	-	-	-	-
	1	1	-	-	-	-	-
Pulp and paper	100.0	100.0	-	100.0	-	-	-
	1	1	-	1	-	-	-
Chemicals	100.0	100.0	12.3	4.9	18.0	4.1	6.6
	48	122	15	6	22	5	8
Pharmaceuticals	100.0	100.0	17.6	17.6	5.9	-	5.9
	8	17	3	3	1	-	1
Rubber products	100.0	100.0	-	6.3	18.8	-	-
	10	16	-	1	3	-	-
Ceramics and stone	100.0	100.0	16.7	8.3	8.3	-	-
	6	12	2	1	1	-	-
Iron and steel	100.0	100.0	-	16.7	16.7	-	-
	2	6	-	1	1	-	-
Nonferrous metals	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Metal products	100.0	100.0	11.9	6.8	10.2	5.1	8.5
	25	59	7	4	6	3	5
General machinery	100.0	100.0	5.9	12.9	9.4	9.4	8.2
	32	85	5	11	8	8	7
Electronics/electrical machinery	100.0	100.0	12.6	10.1	11.7	6.9	4.5
	72	247	31	25	29	17	11
Electronics parts	100.0	100.0	10.1	2.9	15.1	4.3	9.4
	46	139	14	4	21	6	13
Transportation machinery	100.0	100.0	7.5	22.5	7.5	17.5	5.0
	15	40	3	9	3	7	2
Transportation machinery parts	100.0	100.0	8.8	12.5	13.8	13.8	7.5
	34	80	7	10	11	11	6
Precision machinery	100.0	100.0	12.3	12.3	10.5	3.5	7.0
	19	57	7	7	6	2	4
Design/R&D center	100.0	100.0	12.8	10.3	2.6	-	23.1
	15	39	5	4	1	-	9
Others	100.0	100.0	8.2	11.5	16.4	-	6.6
	27	61	5	7	10	-	4

(1) Infrastructure is well established
(2) Domestic market size is large
(3) Distribution conditions are geographically excellent
(4) There are related industries such as those for parts
(5) Transportation networks, such as railroads, highways, and air routes, are well established

Response 6	Response 7	Response 8	Response 9	Response 10	Response 11	Response 12	Response 13	No response
11.3	3.5	11.3	6.4	7.0	2.7	3.1	9.9	8.9
99	31	99	56	62	24	27	87	30
11.5	3.8	11.2	6.7	6.8	2.5	3.0	9.8	9.0
119	39	116	69	71	26	31	102	35
-	3.7	11.1	7.4	3.7	-	25.9	29.6	-
-	1	3	2	1	-	7	8	-
23.1	-	-	7.7	15.4	-	-	30.8	12.5
3	-	-	1	2	-	-	4	1
6.7	-	13.3	6.7	13.3	-	13.3	6.7	-
1	-	2	1	2	-	2	1	-
-	-	-	-	-	-	-	100.0	-
-	-	-	-	-	-	-	1	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
11.5	4.1	11.5	4.1	6.6	0.8	7.4	8.2	6.3
14	5	14	5	8	1	9	10	3
11.8	5.9	11.8	5.9	11.8	-	-	5.9	25.0
2	1	2	1	2	-	-	1	2
12.5	6.3	18.8	-	-	6.3	6.3	25.0	30.0
2	1	3	-	-	1	1	4	3
-	-	8.3	8.3	8.3	-	-	41.7	-
-	-	1	1	1	-	-	5	-
16.7	-	-	16.7	16.7	-	16.7	-	-
1	-	-	1	1	-	1	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
10.2	5.1	13.6	6.8	8.5	1.7	6.8	5.1	24.0
6	3	8	4	5	1	4	3	6
11.8	1.2	14.1	4.7	4.7	1.2	1.2	15.3	3.1
10	1	12	4	4	1	1	13	1
10.9	3.2	11.7	8.5	8.5	3.2	2.0	6.1	1.4
27	8	29	21	21	8	5	15	1
16.5	7.2	11.5	5.0	9.4	2.9	0.7	5.0	10.9
23	10	16	7	13	4	1	7	5
7.5	-	5.0	10.0	2.5	-	-	15.0	6.7
3	-	2	4	1	-	-	6	1
11.3	5.0	10.0	11.3	2.5	1.3	-	2.5	20.6
9	4	8	9	2	1	-	2	7
14.0	5.3	8.8	3.5	7.0	7.0	-	8.8	5.3
8	3	5	2	4	4	-	5	1
10.3	-	7.7	2.6	2.6	10.3	-	17.9	6.7
4	-	3	1	1	4	-	7	1
9.8	3.3	13.1	8.2	4.9	1.6	-	16.4	11.1
6	2	8	5	3	1	-	10	3

(6) It is possible to hire English-speaking managers
(7) Many other Japanese-affiliated manufacturers have advanced into the same locality
(8) Quality of labor in this particular locality is better than others
(9) Labor costs were low
(10) Pro-Japanese atmosphere
(11) There were few problems for children's education, since there is already a Japanese school, etc.
(12) Conditions for obtaining raw materials are good
(13) Others

3. What are anticipated effects of EC market unification upon Japanese-affiliated companies in Europe? (multiple responses)

	Total	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5	Response 6
	100.0	100.0	5.7	8.2	14.7	8.8	8.4	7.5
	338	1164	66	96	171	102	98	87
Industry types								
Subtotals	100.0	100.0	5.6	8.2	14.2	9.1	8.1	7.6
	390	1371	77	113	194	125	111	104
Foodstuffs	100.0	100.0	5.0	7.5	15.0	5.0	12.5	7.5
	14	40	2	3	6	2	5	3
Textile industries	100.0	100.0	-	9.1	12.1	21.2	6.1	3.0
	8	33	-	3	4	7	2	1
Clothing and textile products	100.0	100.0	15.8	5.3	26.3	5.3	10.5	10.5
	7	19	3	1	5	1	2	2
Furniture and fixtures	100.0	100.0	-	-	20.0	20.0	20.0	-
	1	5	-	-	1	1	1	-
Pulp and paper	100.0	100.0	-	-	-	-	-	-
	1	2	-	-	-	-	-	-
Chemicals	100.0	100.0	6.5	8.0	19.6	8.7	8.7	8.0
	48	138	9	11	27	12	12	11
Pharmaceuticals	100.0	100.0	-	6.9	24.1	13.8	13.8	-
	8	29	-	2	7	4	4	-
Rubber products	100.0	100.0	4.0	16.0	12.0	8.0	16.0	4.0
	10	25	1	4	3	2	4	1
Ceramics and stone	100.0	100.0	-	18.8	12.5	18.8	18.8	6.3
	6	16	-	3	2	3	3	1
Iron and steel	100.0	100.0	12.5	-	-	25.0	12.5	-
	2	8	1	-	-	2	1	-
Nonferrous metals	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Metal products	100.0	100.0	7.9	1.3	14.5	11.8	9.2	6.6
	25	76	6	1	11	9	7	5
General machinery	100.0	100.0	7.4	8.2	13.1	9.8	7.4	9.0
	32	122	9	10	16	12	9	11
Electronics/electrical machinery	100.0	100.0	5.7	9.7	13.0	7.7	5.4	10.0
	72	299	17	29	39	23	16	30
Electronics parts	100.0	100.0	7.7	10.6	14.8	7.7	7.7	9.2
	46	142	11	15	21	11	11	13
Transportation machinery	100.0	100.0	2.6	6.5	7.8	7.8	5.2	6.5
	15	77	2	5	6	6	4	5
Transportation machinery parts	100.0	100.0	2.6	6.1	14.8	8.7	11.3	7.8
	34	115	3	7	17	10	13	9
Precision machinery	100.0	100.0	7.4	11.8	11.8	10.3	4.4	1.5
	19	68	5	8	8	7	3	1
Design/R&D center	100.0	100.0	5.2	8.4	17.2	12.1	6.9	10.3
	15	58	3	5	10	7	4	6
Others	100.0	100.0	5.1	6.1	11.1	6.1	10.1	5.1
	27	99	5	6	11	6	10	5

(1) There is a trend toward trade protectionism
(2) There is a trend toward requesting reciprocity
(3) General trend is toward expanding business opportunities
(4) Vitalizing EC companies
(5) Competition within U.S. and European companies in Europe is intensifying
(6) Competition with Japanese companies will intensify

Response 7	Response 8	Response 9	Response 10	Response 11	Response 12	Response 13	Response 14	Response 15	Response 16	Response 17	No response
4.2	3.6	1.7	0.2	11.9	8.1	0.9	1.3	10.7	2.9	1.2	6.8
49	42	20	2	139	94	10	15	125	34	14	23
4.2	3.8	1.9	0.2	12.1	8.2	0.9	1.4	10.5	2.9	1.2	6.9
57	52	26	3	166	112	12	19	144	40	16	27
-	5.0	2.5	-	12.5	15.0	2.5	2.5	5.0	-	2.5	-
-	2	1	-	5	6	1	1	2	-	1	-
6.1	3.0	3.0	-	15.2	3.0	-	3.0	12.1	-	3.0	12.5
2	1	1	-	5	1	-	1	4	-	1	1
-	-	-	-	10.5	-	5.3	-	5.3	-	5.3	-
-	-	-	-	2	-	1	-	1	-	1	-
-	-	-	-	20.0	-	-	-	20.0	-	-	-
-	-	-	-	1	-	-	-	1	-	-	-
-	-	-	-	50.0	50.0	-	-	-	-	-	-
-	-	-	-	1	1	-	-	-	-	-	-
2.9	2.2	0.7	-	12.3	5.8	-	2.2	13.0	0.7	0.7	4.2
4	3	1	-	17	8	-	3	18	1	1	2
10.3	10.3	-	-	3.4	10.3	-	3.4	3.4	-	-	12.5
3	3	-	-	1	3	-	1	1	-	-	1
-	-	-	-	16.0	8.0	-	-	12.0	4.0	-	30.0
-	-	-	-	4	2	-	-	3	1	-	3
-	-	-	-	6.3	6.3	-	-	12.5	-	-	-
-	-	-	-	1	1	-	-	2	-	-	-
12.5	-	-	-	25.0	-	-	-	12.5	-	-	-
1	-	-	-	2	-	-	-	1	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
3.9	7.9	2.6	-	10.5	7.9	-	2.6	11.8	-	1.3	16.0
3	6	2	-	8	6	-	2	9	-	1	4
3.3	2.5	0.8	-	9.8	10.7	1.6	2.5	10.7	3.3	-	3.1
4	3	1	-	12	13	2	3	13	4	-	1
5.0	3.7	2.0	0.3	11.4	8.4	1.0	1.0	9.4	5.0	1.3	2.8
15	11	6	1	34	25	3	3	28	15	4	2
3.5	1.4	2.8	1.4	9.9	7.0	-	0.7	12.0	2.1	1.4	15.2
5	2	4	2	14	10	-	1	17	3	2	7
5.2	6.5	2.6	-	15.6	10.4	2.6	1.3	10.4	9.1	-	6.7
4	5	2	-	12	8	2	1	8	7	-	1
4.3	4.3	1.7	-	13.9	7.0	1.7	0.9	8.7	4.3	1.7	8.8
5	5	2	-	16	8	2	1	10	5	2	3
1.5	4.4	2.9	-	14.7	10.3	1.5	-	14.7	1.5	1.5	5.3
1	3	2	-	10	7	1	-	10	1	1	1
6.9	1.7	1.7	-	8.6	12.1	-	1.7	3.4	3.4	-	-
4	1	1	-	5	7	-	1	2	2	-	-
6.1	7.1	3.0	-	16.2	6.1	-	1.0	14.1	1.0	2.0	3.7
6	7	3	-	16	6	-	1	14	1	2	1

(7) Administrative procedures are being simplified
(8) Trade barriers are being removed
(9) The trend is for Japanese companies to be excluded from the European market
(10) New participation in European projects through public procurement and public projects is becoming possible
(11) Existing goods distribution patterns in Europe will change
(12) Codes and standards on safety, health, and environment will be unified resulting in easier intraregional distribution
(13) Import quota against Japanese goods will be removed
(14) Tax system unification will result in the loss of some tax benefits
(15) Custom procedures will be simplified
(16) Unified certification system (CE mark) will be introduced
(17) Others

4. What are the actual effects of EC market unification upon Japanese-affiliated companies? (multiple responses)

	Totals	Sub-totals	Response 1	Response 2	Response 3	Response 4	Response 5	Response 6
	100.0	100.0	4.9	6.7	14.6	4.9	17.7	14.0
	338	164	8	11	24	8	29	23
Industry types								
Subtotals	100.0	100.0	4.1	7.7	14.8	5.6	16.3	14.3
	390	196	8	15	29	11	32	28
Foodstuffs	100.0	100.0	-	-	-	-	-	33.3
	14	3	-	-	-	-	-	1
Textile industries	100.0	100.0	-	20.0	-	-	40.0	-
	8	5	-	1	-	-	2	-
Clothing and textile products	100.0	100.0	-	-	66.7	-	-	33.3
	7	3	-	-	2	-	-	1
Furniture and fixtures	100.0	100.0	-	-	50.0	-	-	-
	1	2	-	-	1	-	-	-
Pulp and paper	100.0	-	-	-	-	-	-	-
	1	-	-	-	-	-	-	-
Chemicals	100.0	100.0	-	13.3	13.3	13.3	26.7	-
	48	15	-	2	2	2	4	-
Pharmaceuticals	100.0	100.0	-	25.0	-	-	50.0	-
	8	4	-	1	-	-	2	-
Rubber products	100.0	100.0	-	11.1	-	11.1	44.4	11.1
	10	9	-	1	-	1	4	1
Ceramics and stone	100.0	100.0	-	-	-	-	100.0	-
	6	2	-	-	-	-	2	-
Iron and steel	100.0	100.0	-	-	-	50.0	50.0	-
	2	2	-	-	-	1	1	-
Nonferrous metals	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Metal products	100.0	100.0	-	-	20.0	-	20.0	20.0
	25	5	-	-	1	-	1	1
General machinery	100.0	100.0	5.0	-	20.0	5.0	20.0	25.0
	32	20	1	-	4	1	4	5
Electronics/electrical machinery	100.0	100.0	8.3	8.3	22.2	-	8.3	25.0
	72	36	3	3	8	-	3	9
Electronics parts	100.0	100.0	-	6.3	18.8	6.3	18.8	18.8
	46	16	-	1	3	1	3	3
Transportation machinery	100.0	100.0	5.9	5.9	11.8	11.8	-	11.8
	15	17	1	1	2	2	-	2
Transportation machinery parts	100.0	100.0	-	-	8.0	12.0	16.0	8.0
	34	25	-	-	2	3	4	2
Precision machinery	100.0	100.0	12.5	25.0	12.5	-	-	-
	19	8	1	2	1	-	-	-
Design/R&D center	100.0	100.0	12.5	37.5	25.0	-	-	12.5
	15	8	1	3	2	-	-	1
Others	100.0	100.0	6.3	-	6.3	-	12.5	12.5
	27	16	1	-	1	-	2	2

(1) There is a trend toward trade protectionism
(2) There is a trend toward requesting reciprocity
(3) General trend is toward expanding business opportunities
(4) Vitalizing EC companies
(5) Competition within U.S. and European companies in Europe is intensifying
(6) Competition with Japanese companies will intensify

Response 7	Response 8	Response 9	Response 10	Response 11	Response 12	Response 13	Response 14	Response 15	Response 16	Response 17	No response
1.2	2.4	0.6	0.6	12.8	2.4	1.8	1.8	7.3	3.0	3.0	64.5
2	4	1	1	21	4	3	3	12	5	5	218
1.0	2.6	0.5	0.5	12.8	2.6	2.6	2.0	6.1	3.6	3.1	64.1
2	5	1	1	25	5	5	4	12	7	6	250
-	-	-	-	-	33.3	-	-	-	-	33.3	78.6
-	-	-	-	-	1	-	-	-	-	1	11
-	-	-	-	20.0	-	-	-	20.0	-	-	50.0
-	-	-	-	1	-	-	-	1	-	-	4
-	-	-	-	-	-	-	-	-	-	-	57.1
-	-	-	-	-	-	-	-	-	-	-	4
-	-	-	-	-	-	-	-	50.0	-	-	-
-	-	-	-	-	-	-	-	1	-	-	-
-	-	-	-	-	-	-	-	-	-	-	100.0
-	-	-	-	-	-	-	-	-	-	-	1
-	-	-	-	-	6.7	-	6.7	13.3	-	6.7	72.9
-	-	-	-	-	1	-	1	2	-	1	35
-	-	-	-	25.0	-	-	-	-	-	-	62.5
-	-	-	-	1	-	-	-	-	-	-	5
-	-	-	-	11.1	-	-	-	11.1	-	-	40.0
-	-	-	-	1	-	-	-	1	-	-	4
-	-	-	-	-	-	-	-	-	-	-	66.7
-	-	-	-	-	-	-	-	-	-	-	4
-	-	-	-	-	-	-	-	-	-	-	50.0
-	-	-	-	-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	20.0	-	-	-	-	-	20.0	84.0
-	-	-	-	1	-	-	-	-	-	1	21
-	-	-	-	15.0	5.0	-	5.0	-	-	-	59.4
-	-	-	-	3	1	-	1	-	-	-	19
-	-	-	-	13.9	-	2.8	-	11.1	-	-	56.9
-	-	-	-	5	-	1	-	4	-	-	41
-	-	-	6.3	12.5	6.3	-	-	6.3	-	-	73.9
-	-	-	1	2	1	-	-	1	-	-	34
-	5.9	-	-	5.9	-	11.8	5.9	-	23.5	-	40.0
-	1	-	-	1	-	2	1	-	4	-	6
4.0	8.0	-	-	8.0	4.0	8.0	4.0	4.0	12.0	4.0	61.8
1	2	-	-	2	1	2	1	1	3	1	21
-	-	12.5	-	25.0	-	-	-	-	-	12.5	73.7
-	-	1	-	2	-	-	-	-	-	1	14
-	-	-	-	-	-	-	-	-	-	12.5	66.7
-	-	-	-	-	-	-	-	-	-	1	10
6.3	12.5	-	-	37.5	-	-	-	6.3	-	-	55.6
1	2	-	-	6	-	-	-	1	-	-	15

(7) Administrative procedures are being simplified
(8) Trade barriers are being removed
(9) The trend is for Japanese companies to be excluded from the European market
(10) New participation in European projects through public procurement and public projects is becoming possible
(11) Existing goods distribution patterns in Europe will change
(12) Codes and standards on safety, health, and environment will be unified resulting in easier intraregional distribution
(13) Import quota against Japanese goods will be removed
(14) Tax system unification will result in the loss of some tax benefits
(15) Custom procedures will be simplified
(16) Unified certification system (CE mark) will be introduced
(17) Others

5. What types of requests did local governments or organizations make with respect to your company's advance into that locality? (multiple responses)

	Total	Sub-total	Transfer of newest up-to-date technologies	Increase of export-import ratio	Increased procurement rate of local parts & mater.	Creation of jobs beyond a set level	Employment of local managers	Fund-raising from local banks	No requests made	Others	No response
Total number	100.0 338	100.0 416	12.3 51	7.9 33	9.6 40	25.5 106	1.2 5	0.7 3	40.4 168	2.4 10	9.5 32
Industry type											
Subtotal	100.0 390	100.0 490	12.7 62	8.6 42	10.4 51	25.7 126	1.2 6	0.8 4	37.8 185	2.9 14	9.7 38
Foodstuffs	100.0 14	100.0 15	6.7 1	6.7 1	- -	6.7 1	- -	- -	80.0 12	- -	- -
Textile industries	100.0 8	100.0 8	12.5 1	12.5 1	- -	37.5 3	- -	12.5 1	12.5 1	12.5 1	25.0 2
Clothing and textile products	100.0 7	100.0 6	- -	- -	- -	- -	- -	- -	100.0 6	- -	14.3 1
Furniture/fixtures	100.0 1	100.0 1	- -	- -	- -	- -	- -	- -	100.0 1	- -	- -
Pulp and paper	100.0 1	100.0 1	- -	- -	- -	- -	- -	- -	100.0 1	- -	- -
Chemicals	100.0 48	100.0 53	9.4 5	3.8 2	5.7 3	24.5 13	1.9 1	- -	50.9 27	3.8 2	8.3 4
Pharmaceuticals	100.0 8	100.0 9	11.1 1	11.1 1	11.1 1	33.3 3	- -	- -	33.3 3	- -	25.0 2
Rubber products	100.0 10	100.0 8	- -	- -	- -	- -	- -	- -	100.0 8	- -	20.0 2
Ceramics and stone	100.0 4	100.0 6	- -	33.3 2	- -	- -	- -	- -	66.7 4	- -	- -
Iron and steel	100.0 2	100.0 5	20.0 1	20.0 1	- -	20.0 1	- -	- -	20.0 1	20.0 1	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 32	15.6 5	9.4 3	6.3 2	28.1 9	- -	3.1 1	37.5 12	- -	12.0 3
General machinery	100.0 32	100.0 38	10.5 4	2.6 1	15.8 6	23.7 9	2.6 1	- -	39.5 15	5.3 2	9.4 3
Electronics/electrical machinery	100.0 72	100.0 112	15.2 17	11.6 13	15.2 17	31.3 35	0.9 1	- -	24.1 27	1.8 2	5.4 4
Electronics parts	100.0 44	100.0 54	27.8 15	1.9 1	1.9 1	50.0 27	- -	- -	18.5 10	- -	15.2 7
Transportation machinery	100.0 15	100.0 23	4.3 1	21.7 5	43.5 10	13.0 3	- -	- -	8.7 2	8.7 2	13.3 2
Transportation machinery parts	100.0 34	100.0 44	11.4 5	11.4 5	15.9 7	15.9 7	2.3 1	2.3 1	38.6 17	2.3 1	11.8 4
Precision machinery	100.0 19	100.0 26	11.5 3	3.8 1	7.7 2	19.2 5	- -	- -	53.8 14	3.8 1	- -
Design/R&D centers	100.0 15	100.0 14	7.1 1	- -	- -	7.1 1	- -	- -	85.7 12	- -	13.3 2
Others	100.0 27	100.0 35	5.7 2	14.3 5	5.7 2	25.7 9	5.7 2	2.9 1	34.3 12	5.7 2	7.4 2

6. Are the actual effects of EC market unification positive?

	Total	Sub-total	Positive	No effect	Negative	No response
Total number	100.0 338	100.0 180	40.0 72	33.9 61	26.1 47	46.7 158
Industry types						
Subtotal	100.0 390	100.0 206	39.8 82	34.5 71	25.7 53	47.2 184
Foodstuffs	100.0 14	100.0 6	33.3 2	33.3 2	33.3 2	57.1 8
Textile industries	100.0 8	100.0 6	50.0 3	16.7 1	33.3 2	25.0 2
Clothing and textile products	100.0 7	100.0 6	33.3 2	66.7 4	- -	14.3 1
Furniture and fixtures	100.0 1	100.0 1	100.0 1	- -	- -	- -
Pulp and paper	100.0 1	100.0 1	- -	100.0 1	- -	- -
Chemicals	100.0 48	100.0 23	47.8 11	26.1 6	26.1 6	52.1 25
Pharmaceuticals	100.0 8	100.0 4	50.0 2	25.0 1	25.0 1	50.0 4
Rubber products	100.0 10	100.0 5	60.0 3	- -	40.0 2	50.0 5
Ceramics and stone	100.0 6	100.0 5	20.0 1	40.0 2	40.0 2	16.7 1
Iron and steel	100.0 2	100.0 2	- -	50.0 1	50.0 1	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 8	25.0 2	50.0 4	25.0 2	68.0 17
General machinery	100.0 32	100.0 21	42.9 9	33.3 7	23.8 5	34.4 11
Electronics/electrical machinery	100.0 72	100.0 44	40.9 18	36.4 16	22.7 10	38.9 28
Electronics parts	100.0 46	100.0 17	35.3 6	47.1 8	17.6 3	63.0 29
Transportation machinery	100.0 15	100.0 8	50.0 4	12.5 1	37.5 3	46.7 7
Transportation machinery parts	100.0 34	100.0 17	29.4 5	35.3 6	35.3 6	50.0 17
Precision machinery	100.0 19	100.0 10	30.0 3	50.0 5	20.0 2	47.4 9
Design/R&D center	100.0 15	100.0 4	75.0 3	- -	25.0 1	73.3 11
Others	100.0 27	100.0 18	38.9 7	33.3 6	27.8 5	33.3 9

7. What are the reasons for judging whether the actual effects are positive or negative? (multiple responses)

	Total	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5	Response 6	Response 7	Response 8	No response
	100.0	100.0	38.5	2.2	3.0	3.7	5.2	2.2	20.0	25.2	66.0
	338	135	52	3	4	5	7	3	27	34	223
Industry types											
Subtotals	100.0	100.0	38.9	2.5	2.5	3.2	5.7	3.2	17.8	26.1	65.9
	390	157	61	4	4	5	9	5	28	41	257
Foodstuffs	100.0	100.0	25.0	-	-	-	-	-	25.0	50.0	71.4
	14	4	1	-	-	-	-	-	1	2	10
Textile industries	100.0	100.0	50.0	-	-	-	-	-	50.0	-	50.0
	8	4	2	-	-	-	-	-	2	-	4
Clothing and textile products	100.0	100.0	50.0	-	-	-	-	-	-	50.0	71.4
	7	2	1	-	-	-	-	-	-	1	5
Furniture and fixtures	100.0	100.0	100.0	-	-	-	-	-	-	-	-
	1	1	1	-	-	-	-	-	-	-	-
Pulp and paper	100.0	-	-	-	-	-	-	-	-	-	100.0
	1	-	-	-	-	-	-	-	-	-	1
Chemicals	100.0	100.0	60.0	-	-	-	6.7	-	26.7	6.7	70.8
	48	15	9	-	-	-	1	-	4	1	34
Pharmaceuticals	100.0	100.0	33.3	-	-	-	-	-	-	66.7	62.5
	8	3	1	-	-	-	-	-	-	2	5
Rubber products	100.0	100.0	37.5	-	-	12.5	-	-	12.5	37.5	40.0
	10	8	3	-	-	1	-	-	1	3	4
Ceramics and stone	100.0	100.0	33.3	-	-	-	-	-	33.3	33.3	50.0
	6	3	1	-	-	-	-	-	1	1	3
Iron and steel	100.0	100.0	-	-	33.3	-	-	33.3	33.3	-	-
	2	3	-	-	1	-	-	1	1	-	-
Nonferrous metals	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Metal products	100.0	100.0	16.7	16.7	16.7	-	-	-	33.3	16.7	80.0
	25	6	1	1	1	-	-	-	2	1	20
General machinery	100.0	100.0	26.7	-	6.7	-	-	-	13.3	53.3	56.3
	32	15	4	-	1	-	-	-	2	8	18
Electronics/electrical machinery	100.0	100.0	46.4	3.6	-	-	-	-	17.9	32.1	65.3
	72	28	13	1	-	-	-	-	5	9	47
Electronics parts	100.0	100.0	25.0	-	12.5	-	12.5	-	25.0	25.0	82.6
	46	8	2	-	1	-	1	-	2	2	38
Transportation machinery	100.0	100.0	41.7	8.3	-	-	16.7	16.7	8.3	8.3	40.0
	15	12	5	1	-	-	2	2	1	1	6
Transportation machinery parts	100.0	100.0	42.1	-	-	-	21.1	10.5	15.8	10.5	61.8
	34	19	8	-	-	-	4	2	3	2	21
Precision machinery	100.0	100.0	33.3	16.7	-	-	-	-	-	50.0	73.7
	19	6	2	1	-	-	-	-	-	3	14
Design/R&D center	100.0	100.0	33.3	-	-	-	-	-	33.3	33.3	80.0
	15	3	1	-	-	-	-	-	1	1	12
Others	100.0	100.0	35.3	-	-	23.5	5.9	-	11.8	23.5	55.6
	27	17	6	-	-	4	1	-	2	4	15

(1) Unimpeded distribution within the region has become easier
(2) Distribution costs have fallen
(3) New participation in public procurement became possible
(4) Production costs have fallen
(5) Because there is a delay in the formulation of domestic regulations under the EC administration within country into which our company has advanced, we have not received any benefits due to the market unification in this particular country, although the opposite is true in other countries
(6) Because the certification systems for standards have not been clear, it is difficult to understand the appropriate procedure for conducting business in the country. This has led to a negative impact
(7) Because the EC market unification works to the benefit of our European competitors, our relative competitive strength has declined
(8) Others

8. What concrete measures have you taken to respond to EC market unification? (multiple responses)

	Total	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5
	100.0	100.0	19.5	16.5	23.1	13.6	4.5
	338	707	138	117	163	96	32
Industry types							
Subtotals	100.0	100.0	19.3	16.2	23.3	13.9	5.3
	390	819	158	133	191	114	43
Foodstuffs	100.0	100.0	15.8	-	21.1	15.8	-
	14	19	3	-	4	3	-
Textile industries	100.0	100.0	30.8	7.7	23.1	23.1	-
	8	13	4	1	3	3	-
Clothing and textile products	100.0	100.0	33.3	-	-	25.0	-
	7	12	4	-	-	3	-
Furniture and fixtures	100.0	100.0	-	-	-	-	-
	1	1	-	-	-	-	-
Pulp and paper	100.0	-	-	-	-	-	-
	1	-	-	-	-	-	-
Chemicals	100.0	100.0	17.9	9.0	25.6	20.5	1.3
	48	78	14	7	20	16	1
Pharmaceuticals	100.0	100.0	16.7	-	25.0	8.3	-
	8	12	2	-	3	1	-
Rubber products	100.0	100.0	15.4	-	30.8	23.1	-
	10	13	2	-	4	3	-
Ceramics and stone	100.0	100.0	15.4	15.4	7.7	23.1	-
	6	13	2	2	1	3	-
Iron and steel	100.0	100.0	-	-	33.3	-	-
	2	3	-	-	1	-	-
Nonferrous metals	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Metal products	100.0	100.0	15.4	7.7	23.1	23.1	7.7
	25	26	4	2	6	6	2
General machinery	100.0	100.0	17.9	16.7	27.4	10.7	6.0
	32	84	15	14	23	9	5
Electronics/electrical machinery	100.0	100.0	21.5	18.5	23.4	12.7	7.3
	72	205	44	38	48	26	15
Electronics parts	100.0	100.0	16.7	11.9	31.0	14.3	6.0
	46	84	14	10	26	12	5
Transportation machinery	100.0	100.0	18.6	25.6	25.6	11.6	11.6
	15	43	8	11	11	5	5
Transportation machinery parts	100.0	100.0	16.4	22.4	19.4	11.9	9.0
	34	67	11	15	13	8	6
Precision machinery	100.0	100.0	15.9	18.2	22.7	20.5	4.5
	19	44	7	8	10	9	2
Design/R&D center	100.0	100.0	21.2	27.3	18.2	6.1	-
	15	33	7	9	6	2	-
Others	100.0	100.0	24.6	23.2	17.4	7.2	2.9
	27	69	17	16	12	5	2

(1) We will establish or consider establishing a comprehensive company in Europe to centralize manufacturing, sales, fundraising, and technological development to respond to market unification

(2) To prepare for increasingly intense competition, we will let local areas handle part of design in order to meet market needs. To do this, we will establish within Europe facilities for product development and to function as design centers

(3) We will promote the transformation of our local corporation into a European one not only by improving the procurement rate for parts and raw materials but by hiring locals for management and contributing to local society

(4) In order to expand present production, we will raise our production share in Europe through the strengthening of production capacity and the establishment of production bases in countries where we have not yet advanced

Response	Response	Response	Response	Response	No request
6.5	10.5	0.8	2.3	2.7	14.8
46	74	6	16	19	50
6.3	10.1	0.9	2.2	2.4	14.9
52	83	7	18	20	58
10.5	26.3	-	-	10.5	21.4
2	5	-	-	2	3
7.7	7.7	-	-	-	25.0
1	1	-	-	-	2
16.7	16.7	8.3	-	-	14.3
2	2	1	-	-	1
-	-	-	-	100.0	-
-	-	-	-	1	-
-	-	-	-	-	100.0
-	-	-	-	-	1
10.3	10.3	-	1.3	3.8	16.7
8	8	-	1	3	8
25.0	16.7	-	-	8.3	25.0
3	2	-	-	1	2
-	15.4	-	-	15.4	20.0
-	2	-	-	2	2
30.8	-	-	-	7.7	-
4	-	-	-	1	-
-	33.3	-	-	33.3	50.0
-	1	-	-	1	1
-	-	-	-	-	-
-	-	-	-	-	-
7.7	15.4	-	-	-	44.0
2	4	-	-	-	11
4.8	10.7	-	3.6	2.4	6.3
4	9	-	3	2	2
5.4	5.9	1.5	3.4	0.5	2.8
11	12	3	7	1	2
4.8	11.9	1.2	-	2.4	21.7
4	10	1	-	2	10
-	2.3	-	2.3	2.3	6.7
-	1	-	1	1	1
6.0	7.5	1.5	3.0	3.0	17.6
4	5	1	2	2	6
2.3	11.4	-	4.5	-	5.3
1	5	-	2	-	1
6.1	21.2	-	-	-	13.3
2	7	-	-	-	2
5.8	13.0	1.4	2.9	1.4	11.1
4	9	1	2	1	3

(5) For the improvement of local parts procurement rate, we will request that Japanese-affiliated parts manufacturers advance into Europe and will cultivate parts companies

(6) We will cooperate with European corporations in production and sales, use our know-how, and, depending on the situation, consider acquisition of European corporations (M&A)

(7) We will cultivate the talent of employees dispatched to Europe and make improvements in their quality and numbers

(8) We will consider moving our production bases to countries more beneficial in the aspects of labor costs and taxation in a review of our present production bases

9. How is the performance of your company from the start of operations to the present?

	Total	Sub-total	Profit-able from the start	Losses from the start	Change from loss to profit	Change from profit to loss	Balanced	No re-sponse
	100.0 338	100.0 304	20.4 62	27.0 82	39.8 121	3.3 10	9.5 29	10.1 34
Industry types Subtotals	100.0 390	100.0 350	19.4 68	26.6 93	40.9 143	3.7 13	9.4 33	10.3 40
Foodstuffs	100.0 14	100.0 14	7.1 1	35.7 5	50.0 7	- -	7.1 1	- -
Textile industries	100.0 8	100.0 7	- -	42.9 3	42.9 3	- -	14.3 1	12.5 1
Clothing and textile products	100.0 7	100.0 7	42.9 3	28.6 2	28.6 2	- -	- -	- -
Furniture and fixtures	100.0 1	100.0 1	- -	100.0 1	- -	- -	- -	- -
Pulp and paper	100.0 1	100.0 1	- -	- -	- -	- -	100.0 1	- -
Chemicals	100.0 48	100.0 43	14.0 6	30.2 13	46.5 20	4.7 2	4.7 2	10.4 5
Pharmaceuticals	100.0 8	100.0 7	57.1 4	14.3 1	14.3 1	- -	14.3 1	12.5 1
Rubber products	100.0 10	100.0 9	11.1 1	33.3 3	55.6 5	- -	- -	10.0 1
Ceramics and stone	100.0 6	100.0 6	- -	33.3 2	66.7 4	- -	- -	- -
Iron and steel	100.0 2	100.0 2	- -	50.0 1	50.0 1	- -	- -	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 19	5.3 1	36.8 7	31.6 6	5.3 1	21.1 4	24.0 6
General machinery	100.0 32	100.0 31	19.4 6	25.8 8	38.7 12	6.5 2	9.7 3	3.1 1
Electronics/electrical machinery	100.0 72	100.0 69	27.5 19	18.8 13	40.6 28	5.8 4	7.2 5	4.2 3
Electronics parts	100.0 46	100.0 40	12.5 5	32.5 13	42.5 17	2.5 1	10.0 4	13.0 6
Transportation machinery	100.0 15	100.0 13	15.4 2	15.4 2	69.2 9	- -	- -	13.3 2
Transportation machinery parts	100.0 34	100.0 26	19.2 5	23.1 6	38.5 10	7.7 2	11.5 3	23.5 8
Precision machinery	100.0 19	100.0 18	33.3 6	33.3 6	22.2 4	- -	11.1 2	5.3 1
Design/R&D center	100.0 15	100.0 11	18.2 2	27.3 3	9.1 1	- -	45.5 5	26.7 4
Others	100.0 27	100.0 26	26.9 7	15.4 4	50.0 13	3.8 1	3.8 1	3.7 1

10. What are the causes of company losses?

	Total	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5	Response 6	Response 7	Response 8	No response
Total number	100.0 92	100.0 149	43.6 65	10.7 16	6.0 9	3.4 5	4.7 7	2.0 3	22.1 33	7.4 11	- -
Industry type											
Subtotal	100.0 106	100.0 169	43.8 74	10.7 18	5.9 10	3.6 6	4.7 8	2.4 4	20.7 35	8.3 14	-
Foodstuffs	100.0 5	100.0 11	18.2 2	18.2 2	9.1 1	-	-	-	36.4 4	18.2 2	-
Textile industries	100.0 3	100.0 3	33.3 1	-	66.7 2	-	-	-	-	-	-
Clothing and textile products	100.0 2	100.0 6	33.3 2	-	16.7 1	-	16.7 1	16.7 1	16.7 1	-	-
Furniture/fixtures	100.0 1	100.0 1	100.0 1	-	-	-	-	-	-	-	-
Pulp and paper	- -	- -	- -	-	-	-	-	-	-	-	-
Chemicals	100.0 15	100.0 26	46.2 12	11.5 3	-	3.8 1	3.8 1	-	26.9 7	7.7 2	-
Pharmaceuticals	100.0 1	100.0 1	-	-	-	-	-	-	-	100.0 1	-
Rubber products	100.0 3	100.0 6	33.3 2	16.7 1	-	-	-	-	33.3 2	16.7 1	-
Ceramics and stone	100.0 2	100.0 4	25.0 1	-	25.0 1	-	25.0 1	-	25.0 1	-	-
Iron and steel	100.0 1	100.0 3	-	33.3 1	33.3 1	-	-	-	33.3 1	-	-
Nonferrous metals	- -	- -	-	-	-	-	-	-	-	-	-
Metal products	100.0 8	100.0 11	45.5 5	9.1 1	-	-	9.1 1	9.1 1	18.2 2	9.1 1	-
General machinery	100.0 10	100.0 17	47.1 8	5.9 1	11.8 2	11.8 2	5.9 1	-	5.9 1	11.8 2	-
Electronics/electrical machinery	100.0 17	100.0 27	44.4 12	11.1 3	7.4 2	7.4 2	-	-	25.9 7	3.7 1	-
Electronics parts	100.0 14	100.0 20	65.0 13	15.0 3	-	-	-	-	20.0 4	-	-
Transportation machinery	100.0 2	100.0 2	100.0 2	-	-	-	-	-	-	-	-
Transportation machinery parts	100.0 8	100.0 11	27.3 3	9.1 1	-	-	18.2 2	18.2 2	18.2 2	9.1 1	-
Precision machinery	100.0 6	100.0 9	55.6 5	11.1 1	-	-	-	-	11.1 1	22.2 2	-
Design/R&D centers	100.0 3	100.0 4	50.0 2	25.0 1	-	-	25.0 1	-	-	-	-
Others	100.0 5	100.0 7	42.9 3	-	-	14.3 1	-	-	28.6 2	14.3 1	-

(1) Because the company has just started operations
(2) Labor costs are high
(3) Market size has shrunk
(4) Our market share has decreased due to intensifying competition with other Japanese-affiliated companies
(5) Our market share has decreased due to intensifying competition with European companies
(6) Our competitiveness has declined
(7) Funding costs, such as interest rate payments, are too high
(8) Others

11. What are the methods of disposing of profits? (multiple responses

	Total	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5	Response 6	No response
Total number	100.0 183	100.0 284	47.2 134	16.2 46	27.8 79	3.2 9	1.1 3	4.6 13	7.7 14
Industry type Subtotal	100.0 211	100.0 333	46.2 154	16.5 55	28.2 94	3.0 10	1.2 4	4.8 16	8.1 17
Foodstuffs	100.0 8	100.0 9	55.6 5	11.1 1	11.1 1	- -	- -	22.2 2	12.5 1
Textile industries	100.0 3	100.0 7	28.6 2	28.6 2	28.6 2	14.3 1	- -	- -	- -
Clothing and textile products	100.0 5	100.0 10	30.0 3	30.0 3	30.0 3	10.0 1	- -	- -	- -
Furniture/fixtures	- -	- -	- -	- -	- -	- -	- -	- -	- -
Pulp and paper	- -	- -	- -	- -	- -	- -	- -	- -	- -
Chemicals	100.0 26	100.0 43	51.2 22	20.9 9	25.6 11	2.3 1	- -	- -	3.8 1
Pharmaceuticals	100.0 5	100.0 9	22.2 2	33.3 3	44.4 4	- -	- -	- -	- -
Rubber products	100.0 6	100.0 8	62.5 5	12.5 1	25.0 2	- -	- -	- -	16.7 1
Ceramics and stone	100.0 4	100.0 5	60.0 3	20.0 1	20.0 1	- -	- -	- -	25.0 1
Iron and steel	100.0 1	100.0 1	100.0 1	- -	- -	- -	- -	- -	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -	- -	- -	- -
Metal products	100.0 7	100.0 9	55.6 5	11.1 1	11.1 1	- -	11.1 1	11.1 1	14.3 1
General machinery	100.0 18	100.0 25	44.0 11	16.0 4	20.0 5	- -	4.0 1	16.0 4	5.6 1
Electronics/electrical machinery	100.0 47	100.0 71	52.1 37	11.3 8	26.8 19	4.2 3	- -	5.6 4	8.5 4
Electronics parts	100.0 22	100.0 30	53.3 16	6.7 2	36.7 11	- -	- -	3.3 1	13.6 3
Transportation machinery	100.0 11	100.0 20	40.0 8	10.0 2	45.0 9	5.0 1	- -	- -	9.1 1
Transportation machinery parts	100.0 15	100.0 23	43.5 10	13.0 3	34.8 8	4.3 1	- -	4.3 1	6.7 1
Precision machinery	100.0 10	100.0 17	41.2 7	23.5 4	11.8 2	5.9 1	11.8 2	5.9 1	10.0 1
Design/R&D centers	100.0 3	100.0 5	- -	40.0 2	40.0 2	- -	- -	20.0 1	- -
Others	100.0 20	100.0 41	41.5 17	22.0 9	31.7 13	2.4 1	- -	2.4 1	5.0 1

(1) Reinvestment to increase facility capacity, such as adding factories
(2) Remit profits to Japan as dividends
(3) New investment for diversifying products
(4) Returning profit to local society
(5) Investment in financial assets, real estate, etc.
(6) Others

12. What was your company's performance in 1990?

	Total	Sub-total	Profit-able	Loss	Balanced	No response
Total number	100.0 338	100.0 303	51.5 156	30.4 92	18.2 55	10.4 35
Industry types						
Subtotal	100.0 390	100.0 350	51.4 180	30.6 107	18.0 63	10.3 40
Foodstuffs	100.0 14	100.0 13	46.2 6	38.5 5	15.4 2	7.1 1
Textile industries	100.0 8	100.0 7	14.3 1	42.9 3	42.9 3	12.5 1
Clothing and textile products	100.0 7	100.0 7	71.4 5	14.3 1	14.3 1	- -
Furniture and fixtures	100.0 1	100.0 1	- -	100.0 1	- -	- -
Pulp and paper	100.0 1	100.0 1	- -	- -	100.0 1	- -
Chemicals	100.0 48	100.0 43	53.5 23	34.9 15	11.6 5	10.4 5
Pharmaceuticals	100.0 8	100.0 7	71.4 5	14.3 1	14.3 1	12.5 1
Rubber products	100.0 10	100.0 8	37.5 3	25.0 2	37.5 3	20.0 2
Ceramics and stone	100.0 6	100.0 6	33.3 2	50.0 3	16.7 1	- -
Iron and steel	100.0 2	100.0 2	50.0 1	50.0 1	- -	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 21	33.3 7	42.9 9	23.8 5	16.0 4
General machinery	100.0 32	100.0 31	51.6 16	32.3 10	16.1 5	3.1 1
Electronics/electrical machinery	100.0 72	100.0 67	61.2 41	20.9 14	17.9 12	6.9 5
Electronics parts	100.0 46	100.0 41	39.0 16	41.5 17	19.5 8	10.9 5
Transportation machinery	100.0 15	100.0 13	69.2 9	15.4 2	15.4 2	13.3 2
Transportation machinery parts	100.0 34	100.0 27	48.1 13	37.0 10	14.8 4	20.6 7
Precision machinery	100.0 19	100.0 19	57.9 11	26.3 5	15.8 3	- -
Design/R&D center	100.0 15	100.0 10	20.0 2	30.0 3	50.0 5	33.3 5
Others	100.0 27	100.0 26	73.1 19	19.2 5	7.7 2	3.7 1

13. What problems does your company have with labor management? (multiple responses

	Total	Sub-total	Labor management relations are bad	High turn-over rate	Many strikes	High absentee rate	Difficult to make workers work overtime	Difficult to adopt 3-shift system	Difficult to make workers work holidays	Others	No response
Total number	100.0 338	100.0 311	2.6 8	16.7 52	1.6 5	20.3 63	19.9 62	6.4 20	19.0 59	13.5 42	42.6 144
Industry types											
Subtotal	100.0 390	100.0 363	2.8 10	16.5 60	1.9 7	20.1 73	19.8 72	6.1 22	19.3 70	13.5 49	42.8 167
Foodstuffs	100.0 14	100.0 11	- -	9.1 1	- -	18.2 2	18.2 2	9.1 1	36.4 4	9.1 1	42.9 6
Textile industries	100.0 8	100.0 6	- -	33.3 2	- -	- -	33.3 2	16.7 1	- -	16.7 1	37.5 3
Clothing and textile products	100.0 7	100.0 7	- -	28.6 2	- -	14.3 1	28.6 2	- -	28.6 2	- -	42.9 3
Furniture and fixtures	100.0 1	- -	- -	- -	- -	- -	- -	- -	- -	- -	100.0 1
Pulp and paper	100.0 1	- -	- -	- -	- -	- -	- -	- -	- -	- -	100.0 1
Chemicals	100.0 48	100.0 37	2.7 1	18.9 7	2.7 1	16.2 6	16.2 6	10.8 4	21.6 8	10.8 4	47.9 23
Pharmaceuticals	100.0 8	100.0 1	- -	- -	- -	- -	100.0 1	- -	- -	- -	87.5 7
Rubber products	100.0 10	100.0 10	- -	10.0 1	- -	40.0 4	20.0 2	- -	10.0 1	20.0 2	30.0 3
Ceramics and stone	100.0 6	100.0 7	- -	28.6 2	- -	14.3 1	14.3 1	- -	14.3 1	28.6 2	16.7 1
Iron and steel	100.0 2	100.0 3	- -	- -	- -	- -	33.3 1	- -	66.7 2	- -	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 19	21.1 4	10.5 2	10.5 2	5.3 1	10.5 2	5.3 1	21.1 4	15.8 3	52.0 13
General machinery	100.0 32	100.0 28	- -	17.9 5	3.6 1	17.9 5	25.0 7	7.1 2	10.7 3	17.9 5	43.8 14
Electronics/electrical machinery	100.0 72	100.0 82	2.4 2	19.5 16	- -	31.7 26	17.1 14	6.1 5	13.4 11	9.8 8	30.6 22
Electronics parts	100.0 46	100.0 57	1.8 1	22.8 13	- -	26.3 15	15.8 9	7.0 4	14.0 8	12.3 7	39.1 18
Transportation machinery	100.0 15	100.0 13	- -	15.4 2	7.7 1	15.4 2	15.4 2	- -	38.5 5	7.7 1	46.7 7
Transportation machinery parts	100.0 34	100.0 35	5.7 2	8.6 3	5.7 2	11.4 4	22.9 8	2.9 1	25.7 9	17.1 6	44.1 15
Precision machinery	100.0 19	100.0 18	- -	11.1 2	- -	16.7 3	33.3 6	- -	11.1 2	27.8 5	31.6 6
Design/R&D center	100.0 15	100.0 4	- -	- -	- -	- -	25.0 1	- -	50.0 2	25.0 1	73.3 11
Others	100.0 27	100.0 25	- -	8.0 2	- -	12.0 3	24.0 6	12.0 3	32.0 8	12.0 3	48.1 13

14. What is the turnover rate in your company?

	Total	Sub-total	50%~	40%~49%	30%~39%	20%~29%
Total number	100.0 52	100.0 37	13.5 5	10.8 4	18.9 7	27.0 10
Industry types						
Subtotal	100.0 60	100.0 42	14.3 6	14.3 6	19.0 8	26.2 11
Foodstuffs	100.0 1	100.0 1	- -	- -	100.0 1	- -
Textile industries	100.0 2	100.0 1	- -	- -	- -	100.0 1
Clothing and textile products	100.0 2	100.0 2	- -	- -	- -	- -
Furniture and fixtures	- -	- -	- -	- -	- -	- -
Pulp and paper	- -	- -	- -	- -	- -	- -
Chemicals	100.0 7	100.0 7	- -	- -	28.6 2	28.6 2
Pharmaceuticals	- -	- -	- -	- -	- -	- -
Rubber products	100.0 1	- -	- -	- -	- -	- -
Ceramics and stone	100.0 2	100.0 1	- -	- -	- -	100.0 1
Iron and steel	- -	- -	- -	- -	- -	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -
Metal products	100.0 2	100.0 1	- -	- -	- -	- -
General machinery	100.0 5	100.0 3	- -	33.3 1	33.3 1	- -
Electronics/electrical machinery	100.0 16	100.0 14	21.4 3	21.4 3	7.1 1	28.6 4
Electronics parts	100.0 13	100.0 9	22.2 2	22.2 2	33.3 3	22.2 2
Transportation machinery	100.0 2	- -	- -	- -	- -	- -
Transportation machinery parts	100.0 3	100.0 2	- -	- -	- -	50.0 1
Precision machinery	100.0 2	- -	- -	- -	- -	- -
Design/R&D center	- -	- -	- -	- -	- -	- -
Others	100.0 2	100.0 1	100.0 1	- -	- -	- -

10%~19%	8 %~9 %	6 %~7 %	4 %~5 %	2 %~3 %	0 %~1 %	No response	Average turnover rate
16.2	2.7	-	10.8	-	-	28.8	27.49
6	1	-	4	-	-	15	1017
14.3	2.4	-	9.5	-	-	30.0	29.69
6	1	-	4	-	-	18	1247
-	-	-	-	-	-	-	30.00
-	-	-	-	-	-	-	30
-	-	-	-	-	-	50.0	20.00
-	-	-	-	-	-	1	20
50.0	-	-	50.0	-	-	-	7.50
1	-	-	1	-	-	-	15
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
28.6	14.3	-	-	-	-	-	21.29
2	1	-	-	-	-	-	149
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	100.0	-
-	-	-	-	-	-	1	-
-	-	-	-	-	-	50.0	20.00
-	-	-	-	-	-	1	20
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
100.0	-	-	-	-	-	50.0	16.00
1	-	-	-	-	-	1	16
33.3	-	-	-	-	-	40.0	27.33
1	-	-	-	-	-	2	82
7.1	-	-	14.3	-	-	12.5	32.21
1	-	-	2	-	-	2	451
-	-	-	-	-	-	30.8	41.67
-	-	-	-	-	-	4	375
-	-	-	-	-	-	100.0	-
-	-	-	-	-	-	2	-
-	-	-	50.0	-	-	33.3	12.50
-	-	-	1	-	-	1	25
-	-	-	-	-	-	100.0	-
-	-	-	-	-	-	2	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	50.0	64.00
-	-	-	-	-	-	1	64

15. What is your absentee rate?

	Total	Sub-total	50%~	40%~49%	30%~39%	20%~29%
Total number	100.0 63	100.0 35	8.6 3	- -	- -	- -
Industry types						
Subtotal	100.0 73	100.0 41	7.3 3	- -	- -	- -
Foodstuffs	100.0 2	100.0 1	- -	- -	- -	- -
Textile industries	- -	- -	- -	- -	- -	- -
Clothing and textile products	100.0 1	100.0 1	- -	- -	- -	- -
Furniture and fixtures	- -	- -	- -	- -	- -	- -
Pulp and paper	- -	- -	- -	- -	- -	- -
Chemicals	100.0 6	100.0 5	- -	- -	- -	- -
Pharmaceuticals	- -	- -	- -	- -	- -	- -
Rubber products	100.0 4	100.0 2	- -	- -	- -	- -
Ceramics and stone	100.0 1	- -	- -	- -	- -	- -
Iron and steel	- -	- -	- -	- -	- -	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -
Metal products	100.0 1	100.0 1	- -	- -	- -	- -
General machinery	100.0 5	100.0 3	- -	- -	- -	- -
Electronics/electrical machinery	100.0 26	100.0 17	11.8 2	- -	- -	- -
Electronics parts	100.0 15	100.0 9	11.1 1	- -	- -	- -
Transportation machinery	100.0 2	- -	- -	- -	- -	- -
Transportation machinery parts	100.0 4	100.0 1	- -	- -	- -	- -
Precision machinery	100.0 3	- -	- -	- -	- -	- -
Design/R&D center	- -	- -	- -	- -	- -	- -
Others	100.0 3	100.0 1	- -	- -	- -	- -

10%~19%	8 %~9 %	6 %~7 %	4 %~5 %	2 %~3 %	0 %~1 %	No response	Average rate
28.6	20.0	25.7	17.1	-	-	44.4	15.14
10	7	9	6	-	-	28	530
31.7	19.5	24.4	17.1	-	-	43.8	14.24
13	8	10	7	-	-	32	584
-	-	100.0	-	-	-	50.0	7.00
-	-	1	-	-	-	1	7
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	100.0	-	-	-	5.00
-	-	-	1	-	-	-	5
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
60.0	40.0	-	-	-	-	16.7	9.40
3	2	-	-	-	-	1	47
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50.0	-	-	50.0	-	-	50.0	7.50
1	-	-	1	-	-	2	15
-	-	-	-	-	-	100.0	-
-	-	-	-	-	-	1	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
100.0	-	-	-	-	-	-	14.00
1	-	-	-	-	-	-	14
66.7	33.3	-	-	-	-	40.0	10.67
2	1	-	-	-	-	2	32
17.6	29.4	29.4	11.8	-	-	34.6	17.76
3	5	5	2	-	-	9	302
22.2	-	44.4	22.2	-	-	40.0	16.44
2	-	4	2	-	-	6	148
-	-	-	-	-	-	100.0	-
-	-	-	-	-	-	2	-
-	-	-	100.0	-	-	75.0	4.00
-	-	-	1	-	-	3	4
-	-	-	-	-	-	100.0	-
-	-	-	-	-	-	3	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
100.0	-	-	-	-	-	66.7	10.00
1	-	-	-	-	-	2	10

16. Does your company have labor unions?

	Total	Sub-total	Yes	No	No response
Total number	100.0 338	100.0 302	46.0 139	54.0 163	10.7 36
Industry types					
Subtotal	100.0 390	100.0 349	45.8 160	54.2 189	10.5 41
Foodstuffs	100.0 14	100.0 14	7.1 1	92.9 13	- -
Textile industries	100.0 8	100.0 7	85.7 6	14.3 1	12.5 1
Clothing and textile products	100.0 7	100.0 7	28.6 2	71.4 5	- -
Furniture and fixtures	100.0 1	100.0 1	- -	100.0 1	- -
Pulp and paper	100.0 1	100.0 1	- -	100.0 1	- -
Chemicals	100.0 48	100.0 43	44.2 19	55.8 24	10.4 5
Pharmaceuticals	100.0 8	100.0 7	42.9 3	57.1 4	12.5 1
Rubber products	100.0 10	100.0 8	37.5 3	62.5 5	20.0 2
Ceramics and stone	100.0 6	100.0 6	83.3 5	16.7 1	- -
Iron and steel	100.0 2	100.0 2	50.0 1	50.0 1	- -
Nonferrous metals	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 21	42.9 9	57.1 12	16.0 4
General machinery	100.0 32	100.0 30	60.0 18	40.0 12	6.3 2
Electronics/electrical machinery	100.0 72	100.0 68	50.0 34	50.0 34	5.6 4
Electronics parts	100.0 46	100.0 38	44.7 17	55.3 21	17.4 8
Transportation machinery	100.0 15	100.0 13	84.6 11	15.4 2	13.3 2
Transportation machinery parts	100.0 34	100.0 26	42.3 11	57.7 15	23.5 8
Precision machinery	100.0 19	100.0 19	36.8 7	63.2 12	- -
Design/R&D center	100.0 15	100.0 12	8.3 1	91.7 11	20.0 3
Others	100.0 27	100.0 26	46.2 12	53.8 14	3.7 1

17. Has your company increased the procurement rate for local parts and materials?

	Total	Sub-total	Increased	No change	Decreased	No response
Total number	100.0 338	100.0 262	39.7 104	53.4 140	6.9 18	22.5 76
Industry types						
Subtotal	100.0 390	100.0 304	41.1 125	51.6 157	7.2 22	22.1 86
Foodstuffs	100.0 14	100.0 10	30.0 3	70.0 7	- -	28.6 4
Textile industries	100.0 8	100.0 6	16.7 1	83.3 5	- -	25.0 2
Clothing and textile products	100.0 7	100.0 7	14.3 1	57.1 4	28.6 2	- -
Furniture and fixtures	100.0 1	100.0 1	- -	100.0 1	- -	- -
Pulp and paper	100.0 1	100.0 1	- -	100.0 1	- -	- -
Chemicals	100.0 48	100.0 36	19.4 7	72.2 26	8.3 3	25.0 12
Pharmaceuticals	100.0 8	100.0 7	28.6 2	71.4 5	- -	12.5 1
Rubber products	100.0 10	100.0 7	42.9 3	42.9 3	14.3 1	30.0 3
Ceramics and stone	100.0 6	100.0 6	- -	83.3 5	16.7 1	- -
Iron and steel	100.0 2	100.0 2	- -	100.0 2	- -	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 19	36.8 7	63.2 12	- -	24.0 6
General machinery	100.0 32	100.0 27	40.7 11	59.3 16	- -	15.6 5
Electronics/electrical machinery	100.0 72	100.0 62	72.6 45	19.4 12	8.1 5	13.9 10
Electronics parts	100.0 46	100.0 34	47.1 16	41.2 14	11.8 4	26.1 12
Transportation machinery	100.0 15	100.0 12	50.0 6	41.7 5	8.3 1	20.0 3
Transportation machinery parts	100.0 34	100.0 26	30.8 8	61.5 16	7.7 2	23.5 8
Precision machinery	100.0 19	100.0 16	56.3 9	43.8 7	- -	15.8 3
Design/R&D center	100.0 15	100.0 1	- -	100.0 1	- -	93.3 14
Others	100.0 27	100.0 24	25.0 6	62.5 15	12.5 3	11.1 3

18. What are the causes of increase in procurement rate for local parts and materials? (multiple responses)

	Total	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5
	100.0	100.0	18.9	6.3	8.0	8.6	17.1
	104	175	33	11	14	15	30
Industry types							
Subtotals	100.0	100.0	18.8	5.8	8.2	8.7	17.8
	125	208	39	12	17	18	37
Foodstuffs	100.0	100.0	-	-	-	-	33.3
	3	3	-	-	-	-	1
Textile industries	100.0	100.0	50.0	-	-	-	50.0
	1	2	1	-	-	-	1
Clothing and textile products	100.0	100.0	50.0	-	50.0	-	-
	1	2	1	-	1	-	-
Furniture and fixtures	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Pulp and paper	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Chemicals	100.0	100.0	20.0	-	10.0	20.0	30.0
	7	10	2	-	1	2	3
Pharmaceuticals	100.0	100.0	-	-	-	50.0	-
	2	2	-	-	-	1	-
Rubber products	100.0	100.0	-	-	25.0	25.0	25.0
	3	4	-	-	1	1	1
Ceramics and stone	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Iron and steel	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Nonferrous metals	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Metal products	100.0	100.0	12.5	-	25.0	-	12.5
	7	8	1	-	2	-	1
General machinery	100.0	100.0	5.6	5.6	-	5.6	11.1
	11	18	1	1	-	1	2
Electronics/electrical machinery	100.0	100.0	20.7	6.1	6.1	8.5	12.2
	45	82	17	5	5	7	10
Electronics parts	100.0	100.0	20.7	3.4	3.4	3.4	17.2
	16	29	6	1	1	1	5
Transportation machinery	100.0	100.0	25.0	12.5	-	-	25.0
	6	8	2	1	-	-	2
Transportation machinery parts	100.0	100.0	25.0	16.7	8.3	16.7	25.0
	8	12	3	2	1	2	3
Precision machinery	100.0	100.0	20.0	-	6.7	6.7	33.3
	9	15	3	-	1	1	5
Design/R&D center	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Others	100.0	100.0	15.4	15.4	30.8	15.4	23.1
	6	13	2	2	4	2	3

(1) Quality of locally produced parts and materials has been improved
(2) Local manufacturers have begun to keep their delivery schedules
(3) Prices of locally manufactured parts and materials have decreased
(4) Production capability of local suppliers of parts and materials has increased so that it has become possible to obtain necessary quantity
(5) The percentage of local parts and material content in the company's products, which used to depend on imported parts and materials from places outside Europe, has increased

Response 6	Response 7	Response 8	Response 9	Response 10	No response
2.3	14.3	12.6	2.9	9.1	2.9
4	25	22	5	16	3
2.4	13.9	12.0	2.4	10.1	3.2
5	29	25	5	21	4
-	-	-	-	66.7	-
-	-	-	-	2	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10.0	10.0	-	-	-
-	1	1	-	-	-
-	-	-	-	50.0	-
-	-	-	-	1	-
-	25.0	-	-	-	-
-	1	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	50.0	-
-	-	-	-	4	-
5.6	16.7	11.1	11.1	27.8	9.1
1	3	2	2	5	1
4.9	19.5	17.1	1.2	3.7	-
4	16	14	1	3	-
-	20.7	20.7	-	10.3	6.3
-	6	6	-	3	1
-	-	12.5	12.5	12.5	16.7
-	-	1	1	1	1
-	-	-	-	8.3	12.5
-	-	-	-	1	1
-	13.3	6.7	6.7	6.7	-
-	2	1	1	1	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

(6) The manufacturers of parts and materials in Japan were requested to open European plants to produce necessary items for the company
(7) The parts and materials, which used to be imported from the countries outside Europe, are now manufactured by Japanese-affiliated European companies
(8) The parts and materials, which used to be imported from the countries outside Europe, are now manufactured by companies which are not affiliated with Japanese companies
(9) The companies considered the wishes of local governments
(10) Others

19. What are the reasons local parts and materials procurement rate has declined? (multiple responses)

	Total	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5
	100.0 18	100.0 25	16.0 4	12.0 3	28.0 7	8.0 2	12.0 3
Industry types Subtotals	100.0 22	100.0 33	18.2 6	12.1 4	30.3 10	9.1 3	9.1 3
Foodstuffs	- -	- -	- -	- -	- -	- -	- -
Textile industries	- -	- -	- -	- -	- -	- -	- -
Clothing and textile products	100.0 2	100.0 3	- -	- -	33.3 1	- -	33.3 1
Furniture and fixtures	- -	- -	- -	- -	- -	- -	- -
Pulp and paper	- -	- -	- -	- -	- -	- -	- -
Chemicals	100.0 3	100.0 2	- -	- -	- -	50.0 1	- -
Pharmaceuticals	- -	- -	- -	- -	- -	- -	- -
Rubber products	100.0 1	100.0 1	- -	- -	- -	- -	- -
Ceramics and stone	100.0 1	100.0 1	- -	- -	100.0 1	- -	- -
Iron and steel	- -	- -	- -	- -	- -	- -	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -	- -
Metal products	- -	- -	- -	- -	- -	- -	- -
General machinery	- -	- -	- -	- -	- -	- -	- -
Electronics/electrical machinery	100.0 5	100.0 8	25.0 2	12.5 1	37.5 3	12.5 1	- -
Electronics parts	100.0 4	100.0 8	37.5 3	25.0 2	37.5 3	- -	- -
Transportation machinery	100.0 1	100.0 1	- -	- -	- -	- -	- -
Transportation machinery parts	100.0 2	100.0 4	25.0 1	25.0 1	25.0 1	- -	25.0 1
Precision machinery	- -	- -	- -	- -	- -	- -	- -
Design/R&D center	- -	- -	- -	- -	- -	- -	- -
Others	100.0 3	100.0 5	- -	- -	20.0 1	20.0 1	20.0 1

(1) Quality of locally manufactured parts and materials has deteriorated
(2) Local manufacturers have not kept their delivery schedule
(3) Prices of locally manufactured parts and materials have increased
(4) The production capability of local manufacturers for parts and materials has so declined that it has become difficult to obtain the required amount of necessary items
(5) From the standpoint of cost strategy, the domestic content percentage for parts and materials has been reduced, and there has been a switch to the imports from non-European countries

Response 6	Response 7	Response 8	Response 9	No response
-	-	-	24.0	11.1
-	-	-	6	2
-	-	-	21.2	9.1
-	-	-	7	2
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	33.3	-
-	-	-	1	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	50.0	33.3
-	-	-	1	1
-	-	-	-	-
-	-	-	-	-
-	-	-	100.0	-
-	-	-	1	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	12.5	20.0
-	-	-	1	1
-	-	-	-	-
-	-	-	-	-
-	-	-	100.0	-
-	-	-	1	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	40.0	-
-	-	-	2	-

(6) The Japanese-affiliated companies, which have traditionally supplied the necessary parts and materials, have withdrawn from Europe

(7) The European companies, which had been the suppliers of parts and materials, have stopped the supply of materials due to bankruptcy, poor business, and the change of management policies

(8) The company, which used to supply parts and materials to our company, has been acquired by a non-European company, so that it has become a non-European company

(9) Others

20. Information about the local subcontractors.

	Total	1) Local subcontractor				2) Degree of satisfaction with local subcontractors					3) Reasons for dissatisfaction			
		Subtotal	Satisfied	Not satisfied	No response	Have subcontractors	Subtotal	Satisfied	Not satisfied	No response	Number companies not satisfied	Subtotal	Quality	F
Total number	100.0 338	100.0 280	52.1 146	47.9 134	17.2 58	100.0 146	100.0 145	32.4 47	67.6 98	0.7 1	100.0 98	100.0 201	33.8 68	
Industry type														
Subtotal	100.0 390	100.0 323	52.9 171	47.1 152	17.2 67	100.0 171	100.0 170	31.2 53	68.8 117	0.6 1	100.0 117	100.0 239	33.9 81	
Foodstuffs	100.0 14	100.0 12	8.3 1	91.7 11	14.3 2	100.0 1	100.0 1	100.0 1	- -	- -	- -	- -	- -	
Textile industries	100.0 8	100.0 6	33.3 2	66.7 4	25.0 2	100.0 2	100.0 2	50.0 1	50.0 1	- -	100.0 1	100.0 1	- -	
Clothing and textile products	100.0 7	100.0 7	71.4 5	28.6 2	- -	100.0 5	100.0 5	60.0 3	40.0 2	- -	100.0 2	100.0 2	100.0 2	
Furniture/fixtures	100.0 1	100.0 1	100.0 1	- -	- -	100.0 1	100.0 1	- -	100.0 1	- -	100.0 1	100.0 3	33.3 1	
Pulp and paper	100.0 1	100.0 1	- -	100.0 1	- -	- -	- -	- -	- -	- -	- -	- -	- -	
Chemicals	100.0 48	100.0 40	27.5 11	72.5 29	16.7 8	100.0 11	100.0 11	18.2 2	81.8 9	- -	100.0 9	100.0 19	42.1 8	
Pharmaceuticals	100.0 8	100.0 7	57.1 4	42.9 3	12.5 1	100.0 4	100.0 4	75.0 3	25.0 1	- -	100.0 1	100.0 2	50.0 1	
Rubber products	100.0 10	100.0 7	42.9 3	57.1 4	30.0 3	100.0 3	100.0 3	33.3 1	66.7 2	- -	100.0 2	100.0 3	33.3 1	
Ceramics and stone	100.0 6	100.0 6	50.0 3	50.0 3	- -	100.0 3	100.0 3	33.3 1	66.7 2	- -	100.0 2	100.0 4	50.0 2	
Iron and steel	100.0 2	100.0 2	- -	100.0 2	- -	- -	- -	- -	- -	- -	- -	- -	- -	
Nonferrous metals	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	
Metal products	100.0 25	100.0 19	63.2 12	36.8 7	24.0 6	100.0 12	100.0 12	50.0 6	50.0 6	- -	100.0 6	100.0 10	40.0 4	
General machinery	100.0 32	100.0 27	77.8 21	22.2 6	15.6 5	100.0 21	100.0 20	35.0 7	65.0 13	4.8 1	100.0 13	100.0 29	27.6 8	
Electronics/electrical machinery	100.0 72	100.0 67	61.2 41	38.8 26	6.9 5	100.0 41	100.0 41	29.3 12	70.7 29	- -	100.0 29	100.0 58	31.0 18	
Electronics parts	100.0 46	100.0 38	47.4 18	52.6 20	17.4 8	100.0 18	100.0 18	27.8 5	72.2 13	- -	100.0 13	100.0 29	37.9 11	
Transportation machinery	100.0 15	100.0 12	83.3 10	16.7 2	20.0 3	100.0 10	100.0 10	30.0 3	70.0 7	- -	100.0 7	100.0 14	28.6 4	
Transportation machinery parts	100.0 34	100.0 27	66.7 18	33.3 9	20.6 7	100.0 18	100.0 18	16.7 3	83.3 15	- -	100.0 15	100.0 29	31.0 9	
Precision machinery	100.0 19	100.0 17	76.5 13	23.5 4	10.5 2	100.0 13	100.0 13	15.4 2	84.6 11	- -	100.0 11	100.0 24	29.2 7	
Design/R&D centers	100.0 15	100.0 1	- -	100.0 1	93.3 14	- -	- -	- -	- -	- -	- -	- -	- -	
Others	100.0 27	100.0 24	30.8 8	69.2 18	3.7 1	100.0 8	100.0 8	37.5 3	62.5 5	- -	100.0 5	100.0 12	41.7 5	

3) [Cont'd.]				4) Cultivation of subcontractors					5) Cultivation methods						
Price	Delivery schedule	Others	No response	No subcontractors	Subtotal	Training is given	Training is not given	No response	Countries considering	Subtotal	Technical support	Manpower support	Financial support	Others	No response
32.8	32.8	0.5	-	100.0	100.0	24.4	75.6	32.8	100.0	100.0	69.2	7.7	3.8	19.2	-
44	44	1	-	134	90	22	68	44	22	26	18	2	1	5	-
32.6	32.6	0.8	-	100.0	100.0	25.5	74.5	32.9	100.0	100.0	66.7	6.7	3.3	23.3	-
78	78	2	-	152	102	26	76	50	26	30	20	2	1	7	-
-	-	-	-	100.0	100.0	20.0	80.0	54.5	100.0	100.0	50.0	50.0	-	-	-
-	-	-	-	11	5	1	4	6	1	2	1	1	-	-	-
100.0	-	-	-	100.0	100.0	-	100.0	25.0	-	-	-	-	-	-	-
1	-	-	-	4	3	-	3	1	-	-	-	-	-	-	-
-	-	-	-	100.0	-	-	-	100.0	-	-	-	-	-	-	-
-	-	-	-	2	-	-	-	2	-	-	-	-	-	-	-
33.3	33.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	100.0	100.0	-	100.0	-	-	-	-	-	-	-	-
-	-	-	-	1	1	-	1	-	-	-	-	-	-	-	-
31.6	26.3	-	-	100.0	100.0	28.6	71.4	51.7	100.0	100.0	75.0	-	-	25.0	-
6	5	-	-	29	14	4	10	15	4	4	3	-	-	1	-
50.0	-	-	-	100.0	100.0	-	100.0	33.3	-	-	-	-	-	-	-
1	-	-	-	3	2	-	2	1	-	-	-	-	-	-	-
33.3	33.3	-	-	100.0	100.0	-	100.0	75.0	-	-	-	-	-	-	-
1	1	-	-	4	1	-	1	3	-	-	-	-	-	-	-
-	50.0	-	-	100.0	100.0	66.7	33.3	-	100.0	100.0	100.0	-	-	-	-
-	2	-	-	3	3	2	1	-	2	2	2	-	-	-	-
-	-	-	-	100.0	100.0	-	100.0	-	-	-	-	-	-	-	-
-	-	-	-	2	2	-	2	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40.0	20.0	-	-	100.0	100.0	16.7	83.3	14.3	100.0	100.0	100.0	-	-	-	-
4	2	-	-	7	6	1	5	1	1	1	1	-	-	-	-
37.9	34.5	-	-	100.0	100.0	50.0	50.0	33.3	100.0	100.0	100.0	-	-	-	-
11	10	-	-	6	4	2	2	2	2	2	2	-	-	-	-
34.5	32.8	1.7	-	100.0	100.0	31.8	68.2	15.4	100.0	100.0	50.0	10.0	10.0	30.0	-
20	19	1	-	26	22	7	15	4	7	10	5	1	1	3	-
27.6	31.0	3.4	-	100.0	100.0	28.6	71.4	30.0	100.0	100.0	100.0	-	-	-	-
8	9	1	-	20	14	4	10	6	4	4	4	-	-	-	-
35.7	35.7	-	-	100.0	100.0	50.0	50.0	-	100.0	100.0	-	-	-	100.0	-
5	5	-	-	2	2	1	1	-	1	1	-	-	-	1	-
31.0	37.9	-	-	100.0	100.0	33.3	66.7	33.3	100.0	100.0	50.0	-	-	50.0	-
9	11	-	-	9	6	2	4	3	2	2	1	-	-	1	-
33.3	37.5	-	-	100.0	100.0	33.3	66.7	25.0	100.0	100.0	-	-	-	100.0	-
8	9	-	-	4	3	1	2	1	1	1	-	-	-	1	-
-	-	-	-	100.0	100.0	-	100.0	-	-	-	-	-	-	-	-
-	-	-	-	1	1	-	1	-	-	-	-	-	-	-	-
25.0	33.3	-	-	100.0	100.0	7.7	92.3	27.8	100.0	100.0	100.0	-	-	-	-
3	4	-	-	18	13	1	12	5	1	1	1	-	-	-	-

21. Is local hiring for management making progress?

	Total	Sub-total	Yes	No	Unclear	No response
Total number	100.0 338	100.0 308	66.9 206	25.6 79	7.5 23	8.9 30
Industry types						
Subtotal	100.0 390	100.0 357	67.8 242	24.6 88	7.6 27	8.5 33
Foodstuffs	100.0 14	100.0 13	69.2 9	15.4 2	15.4 2	7.1 1
Textile industries	100.0 8	100.0 7	28.6 2	42.9 3	28.6 2	12.5 1
Clothing and textile products	100.0 7	100.0 6	66.7 4	16.7 1	16.7 1	14.3 1
Furniture and fixtures	100.0 1	100.0 1	100.0 1	- -	- -	- -
Pulp and paper	100.0 1	100.0 1	100.0 1	- -	- -	- -
Chemicals	100.0 48	100.0 43	55.8 24	34.9 15	9.3 4	10.4 5
Pharmaceuticals	100.0 8	100.0 6	83.3 5	- -	16.7 1	25.0 2
Rubber products	100.0 10	100.0 8	62.5 5	37.5 3	- -	20.0 2
Ceramics and stone	100.0 6	100.0 6	16.7 1	50.0 3	33.3 2	- -
Iron and steel	100.0 2	100.0 2	100.0 2	- -	- -	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 21	76.2 16	19.0 4	4.8 1	16.0 4
General machinery	100.0 32	100.0 31	74.2 23	19.4 6	6.5 2	3.1 1
Electronics/electrical machinery	100.0 72	100.0 71	77.5 55	14.1 10	8.5 6	1.4 1
Electronics parts	100.0 46	100.0 40	50.0 20	45.0 18	5.0 2	13.0 6
Transportation machinery	100.0 15	100.0 14	100.0 14	- -	- -	6.7 1
Transportation machinery parts	100.0 34	100.0 29	79.3 23	13.8 4	6.9 2	14.7 5
Precision machinery	100.0 19	100.0 18	77.8 14	22.2 4	- -	5.3 1
Design/R&D center	100.0 15	100.0 14	64.3 9	35.7 5	- -	6.7 1
Others	100.0 27	100.0 26	53.8 14	38.5 10	7.7 2	3.7 1

22. What is the highest position given to local hires?

	Total	Sub-total	Chief executive officer	Vice president	Factory manager	Department head	Division chief	Section chief	Others	No response
Total number	100.0 338	100.0 305	31.1 95	21.3 65	11.8 36	21.3 65	7.5 23	2.3 7	4.6 14	9.8 33
Industry type										
Subtotal	100.0 390	100.0 354	31.9 113	20.9 74	12.1 43	22.0 78	6.8 24	2.0 7	4.2 15	9.2 36
Foodstuffs	100.0 14	100.0 13	38.5 5	38.5 5	7.7 1	-	-	-	15.4 2	7.1 1
Textile industries	100.0 8	100.0 7	28.6 2	42.9 3	-	14.3 1	14.3 1	-	-	12.5 1
Clothing and textile products	100.0 7	100.0 6	33.3 2	50.0 3	-	16.7 1	-	-	-	14.3 1
Furniture/fixtures	100.0 1	100.0 1	-	-	-	100.0 1	-	-	-	-
Pulp and paper	100.0 1	100.0 1	100.0 1	-	-	-	-	-	-	-
Chemicals	100.0 48	100.0 42	28.6 12	23.8 10	16.7 7	16.7 7	7.1 3	4.8 2	2.4 1	12.5 6
Pharmaceuticals	100.0 8	100.0 6	50.0 3	33.3 2	16.7 1	-	-	-	-	25.0 2
Rubber products	100.0 10	100.0 8	50.0 4	-	25.0 2	25.0 2	-	-	-	20.0 2
Ceramics and stone	100.0 6	100.0 6	50.0 3	16.7 1	-	-	16.7 1	-	16.7 1	-
Iron and steel	100.0 2	100.0 2	100.0 2	-	-	-	-	-	-	-
Nonferrous metals	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 23	47.8 11	17.4 4	13.0 3	17.4 4	-	4.3 1	-	8.0 2
General machinery	100.0 32	100.0 30	36.7 11	26.7 8	16.7 5	16.7 5	-	-	3.3 1	6.3 2
Electronics/electrical machinery	100.0 72	100.0 69	24.6 17	17.4 12	18.8 13	27.5 19	2.9 2	1.4 1	7.2 5	4.2 3
Electronics parts	100.0 46	100.0 41	7.3 3	12.2 5	7.3 3	46.3 19	24.4 10	-	2.4 1	10.9 5
Transportation machinery	100.0 15	100.0 14	57.1 8	35.7 5	7.1 1	-	-	-	-	6.7 1
Transportation machinery parts	100.0 34	100.0 31	48.4 15	19.4 6	12.9 4	12.9 4	3.2 1	3.2 1	-	8.8 3
Precision machinery	100.0 19	100.0 18	33.3 6	16.7 3	16.7 3	22.2 4	5.6 1	5.6 1	-	5.3 1
Design/R&D centers	100.0 15	100.0 12	33.3 4	8.3 1	-	16.7 2	16.7 2	8.3 1	16.7 2	20.0 3
Others	100.0 27	100.0 24	16.7 4	25.0 6	-	37.5 9	12.5 3	-	8.3 2	11.1 3

23. For what departments are local hires responsible? (multiple responses)

	Total	Sub-total	Labor person-nel	General affairs	Adver-tising	Sales	Manu-factur-ing
Total number	100.0 338	100.0 1223	18.4 225	15.9 194	11.0 135	11.0 135	14.7 180
Industry types							
Subtotal	100.0 390	100.0 1445	18.4 266	16.0 231	11.0 159	10.9 157	14.7 213
Foodstuffs	100.0 14	100.0 62	14.5 9	11.3 7	9.7 6	19.4 12	16.1 10
Textile industries	100.0 8	100.0 36	16.7 6	16.7 6	13.9 5	8.3 3	13.9 5
Clothing and textile products	100.0 7	100.0 25	16.0 4	12.0 3	12.0 3	12.0 3	12.0 3
Furniture and fixtures	100.0 1	100.0 6	16.7 1	16.7 1	16.7 1	16.7 1	- -
Pulp and paper	100.0 1	100.0 8	12.5 1	12.5 1	12.5 1	12.5 1	12.5 1
Chemicals	100.0 48	100.0 148	16.9 25	15.5 23	9.5 14	13.5 20	16.9 25
Pharmaceuticals	100.0 8	100.0 40	15.0 6	15.0 6	12.5 5	12.5 5	10.0 4
Rubber products	100.0 10	100.0 27	22.2 6	11.1 3	7.4 2	14.8 4	22.2 6
Ceramics and stone	100.0 6	100.0 22	18.2 4	9.1 2	9.1 2	9.1 2	13.6 3
Iron and steel	100.0 2	100.0 7	14.3 1	14.3 1	14.3 1	14.3 1	14.3 1
Nonferrous metals	- -	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 94	17.0 16	14.9 14	9.6 9	12.8 12	16.0 15
General machinery	100.0 32	100.0 127	18.1 23	13.4 17	9.4 12	12.6 16	13.4 17
Electronics/electrical machinery	100.0 72	100.0 291	21.6 63	19.2 56	12.0 35	7.2 21	15.8 46
Electronics parts	100.0 46	100.0 150	24.0 36	18.0 27	12.0 18	6.7 10	14.0 21
Transportation machinery	100.0 15	100.0 77	15.6 12	14.3 11	13.0 10	14.3 11	16.9 13
Transportation machinery parts	100.0 34	100.0 137	17.5 24	15.3 21	11.7 16	12.4 17	15.3 21
Precision machinery	100.0 19	100.0 69	13.0 9	17.4 12	11.6 8	14.5 10	14.5 10
Design/R&D center	100.0 15	100.0 29	13.8 4	6.9 2	6.9 2	6.9 2	3.4 1
Others	100.0 27	100.0 90	17.8 16	20.0 18	10.0 9	6.7 6	12.2 11

Accounting	Finance	R&D	Others	No response
12.3	8.1	5.6	3.0	13.0
150	99	68	37	44
12.4	8.3	5.4	2.9	12.6
179	120	78	42	49
11.3	8.1	6.5	3.2	14.3
7	5	4	2	2
16.7	8.3	5.6	-	12.5
6	3	2	-	1
20.0	8.0	8.0	-	14.3
5	2	2	-	1
-	-	16.7	16.7	-
-	-	1	1	-
12.5	12.5	12.5	-	-
1	1	1	-	-
10.8	8.8	6.8	1.4	22.9
16	13	10	2	11
15.0	12.5	7.5	-	25.0
6	5	3	-	2
7.4	11.1	-	3.7	20.0
2	3	-	1	2
18.2	9.1	9.1	4.5	33.3
4	2	2	1	2
14.3	14.3	-	-	50.0
1	1	-	-	1
-	-	-	-	-
-	-	-	-	-
13.8	7.4	4.3	4.3	12.0
13	7	4	4	3
12.6	9.4	7.1	3.9	9.4
16	12	9	5	3
12.4	6.2	3.4	2.1	1.4
36	18	10	6	1
11.3	5.3	4.0	4.7	13.0
17	8	6	7	6
9.1	10.4	3.9	2.6	6.7
7	8	3	2	1
10.9	10.9	4.4	1.5	17.6
15	15	6	2	6
13.0	8.7	4.3	2.9	-
9	6	3	2	-
10.3	10.3	31.0	10.3	20.0
3	3	9	3	3
16.7	8.9	3.3	4.4	14.8
15	8	3	4	4

24. What are the reasons local hires' participation in management has not made progress? (multiple responses)

	Total companies responding	Total	Subtotal	Response 1	Response 2	Response 3	Response 4	No response
	100.0	100.0	23.4	6.4	7.4	44.7	18.1	2.5
	79	94	22	6	7	42	17	2
Industry types								
Subtotals	100.0	100.0	24.0	5.8	6.7	46.2	17.3	2.3
	88	104	25	6	7	48	18	2
Foodstuffs	100.0	100.0	-	-	-	50.0	50.0	-
	2	2	-	-	-	1	1	-
Textile industries	100.0	100.0	100.0	-	-	-	-	-
	3	3	3	-	-	-	-	-
Clothing and textile products	100.0	100.0	-	-	-	100.0	-	-
	1	1	-	-	-	1	-	-
Furniture and fixtures	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Pulp and paper	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Chemicals	100.0	100.0	21.1	-	5.3	52.6	21.1	-
	15	19	4	-	1	10	4	-
Pharmaceuticals	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Rubber products	100.0	100.0	-	-	-	100.0	-	-
	3	3	-	-	-	3	-	-
Ceramics and stone	100.0	100.0	16.7	-	-	50.0	33.3	-
	3	6	1	-	-	3	2	-
Iron and steel	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Nonferrous metals	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Metal products	100.0	100.0	25.0	25.0	-	25.0	25.0	-
	4	4	1	1	-	1	1	-
General machinery	100.0	100.0	14.3	14.3	42.9	14.3	14.3	-
	6	7	1	1	3	1	1	-
Electronics/electrical machinery	100.0	100.0	38.5	7.7	7.7	30.8	15.4	-
	10	13	5	1	1	4	2	-
Electronics parts	100.0	100.0	21.1	10.5	-	52.6	15.8	5.6
	18	19	4	2	-	10	3	1
Transportation machinery	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Transportation machinery parts	100.0	100.0	60.0	-	-	40.0	-	-
	4	5	3	-	-	2	-	-
Precision machinery	100.0	100.0	-	25.0	-	50.0	25.0	-
	4	4	-	1	-	2	1	-
Design/R&D center	100.0	100.0	16.7	-	-	50.0	33.3	-
	5	6	1	-	-	3	2	-
Others	100.0	100.0	16.7	-	16.7	58.3	8.3	10.0
	10	12	2	-	2	7	1	1

(1) Because it is difficult to find outstanding individuals
(2) The parent company's policy precludes the local hires' appointment to management positions
(3) It is difficult to have good communication with non-Japanese managers
(4) The size of our office (sales, production) is small, so it is not necessary
(5) Others

25. Has there been a transfer of authority from the parent company?

	Total	Sub-total	Yes	No	No response
Total number	100.0 338	100.0 290	92.8 269	7.2 21	14.2 48
Industry types					
Subtotal	100.0 390	100.0 332	93.1 309	6.9 23	14.9 58
Foodstuffs	100.0 14	100.0 12	83.3 10	16.7 2	14.3 2
Textile industries	100.0 8	100.0 6	100.0 6	- -	25.0 2
Clothing and textile products	100.0 7	100.0 5	100.0 5	- -	28.6 2
Furniture and fixtures	100.0 1	100.0 1	100.0 1	- -	- -
Pulp and paper	100.0 1	100.0 1	100.0 1	- -	- -
Chemicals	100.0 48	100.0 41	95.1 39	4.9 2	14.6 7
Pharmaceuticals	100.0 8	100.0 6	83.3 5	16.7 1	25.0 2
Rubber products	100.0 10	100.0 7	100.0 7	- -	30.0 3
Ceramics and stone	100.0 6	100.0 6	83.3 5	16.7 1	- -
Iron and steel	100.0 2	100.0 1	100.0 1	- -	50.0 1
Nonferrous metals	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 20	90.0 18	10.0 2	20.0 5
General machinery	100.0 32	100.0 28	96.4 27	3.6 1	12.5 4
Electronics/electrical machinery	100.0 72	100.0 66	98.5 65	1.5 1	8.3 6
Electronics parts	100.0 46	100.0 38	94.7 36	5.3 2	17.4 8
Transportation machinery	100.0 15	100.0 13	100.0 13	- -	13.3 2
Transportation machinery parts	100.0 34	100.0 25	92.0 23	8.0 2	26.5 9
Precision machinery	100.0 19	100.0 18	88.9 16	11.1 2	5.3 1
Design/R&D center	100.0 15	100.0 13	69.2 9	30.8 4	13.3 2
Others	100.0 27	100.0 25	88.0 22	12.0 3	7.4 2

26. What is the scope of authority transferred from the parent company? (multiple responses)

	Total	Sub-total	Change of capital	Appointment and dismissal of executives	Profit disposal	Capital investment	Change of production methods	Sale of new products	Determining where to invest
	100.0	100.0	0.3	0.8	1.1	4.4	6.4	4.1	1.1
	338	2798	7	21	32	124	178	115	32
Industry types									
Subtotals	100.0	100.0	0.2	0.7	1.1	4.4	6.3	4.0	1.2
	390	3204	7	24	36	140	201	127	38
Foodstuffs	100.0	100.0	-	2.0	-	2.0	7.9	3.0	3.0
	14	101	-	2	-	2	8	3	3
Textile industries	100.0	100.0	-	-	-	6.3	6.3	4.8	-
	8	63	-	-	-	4	4	3	-
Clothing and textile products	100.0	100.0	2.2	-	2.2	8.7	6.5	8.7	4.3
	7	46	1	-	1	4	3	4	2
Furniture and fixtures	100.0	100.0	6.7	6.7	-	6.7	6.7	6.7	-
	1	15	1	1	-	1	1	1	-
Pulp and paper	100.0	100.0	-	-	-	-	-	-	-
	1	7	-	-	-	-	-	-	-
Chemicals	100.0	100.0	0.3	0.3	0.8	3.7	6.0	5.0	0.8
	48	383	1	1	3	14	23	19	3
Pharmaceuticals	100.0	100.0	-	-	-	3.4	3.4	5.1	1.7
	8	59	-	-	-	2	2	3	1
Rubber products	100.0	100.0	-	-	1.2	1.2	7.1	5.9	2.4
	10	85	-	-	1	1	6	5	2
Ceramics and stone	100.0	100.0	-	-	1.8	3.5	7.0	7.0	1.8
	6	57	-	-	1	2	4	4	1
Iron and steel	100.0	100.0	-	-	-	-	9.1	9.1	9.1
	2	11	-	-	-	-	1	1	1
Nonferrous metals	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Metal products	100.0	100.0	-	-	1.0	4.1	7.1	4.6	0.5
	25	196	-	-	2	8	14	9	1
General machinery	100.0	100.0	0.8	1.1	0.8	4.1	6.8	3.8	1.9
	32	266	2	3	2	11	18	10	5
Electronics/electrical machinery	100.0	100.0	0.1	1.3	1.9	4.7	6.4	2.8	0.3
	72	683	1	9	13	32	44	19	2
Electronics parts	100.0	100.0	0.3	0.8	1.3	5.1	6.4	2.9	0.5
	46	374	1	3	5	19	24	11	2
Transportation machinery	100.0	100.0	-	0.8	0.8	4.7	5.5	2.3	1.6
	15	128	-	1	1	6	7	3	2
Transportation machinery parts	100.0	100.0	-	0.4	0.9	1.8	7.1	3.1	0.4
	34	225	-	1	2	4	16	7	1
Precision machinery	100.0	100.0	-	-	0.6	4.4	6.9	5.0	3.1
	19	159	-	-	1	7	11	8	5
Design/R&D center	100.0	100.0	-	-	-	7.4	1.5	1.5	-
	15	68	-	-	-	5	1	1	-
Others	100.0	100.0	-	1.1	1.4	6.5	5.0	5.8	2.5
	27	278	-	3	4	18	14	16	7

Borrowing funds for capital investment	Production and sales planning	Borrowing operating funds	Procurement of raw materials	Change of customers	Determination of salaries and wages	Employment of management personnel	Change in labor employment practices	Change of management systems	Change in work structure	Determination of advertising strategies	Others	No responses
3.6	8.7	6.2	9.1	6.1	9.1	8.2	9.3	6.8	9.3	5.3	0.1	12.4
102	244	173	254	170	256	229	260	190	259	148	4	42
3.6	8.8	6.2	9.2	6.1	9.2	8.2	9.4	6.7	9.2	5.2	0.2	12.6
116	283	199	295	196	295	264	300	214	296	168	5	49
4.0	8.9	5.9	10.9	8.9	7.9	5.9	8.9	5.9	8.9	5.9	-	21.4
4	9	6	11	9	8	6	9	6	9	6	-	3
3.2	9.5	4.8	9.5	7.9	9.5	9.5	7.9	4.8	7.9	7.9	-	25.0
2	6	3	6	5	6	6	5	3	5	5	-	2
2.2	8.7	4.3	10.9	6.5	6.5	4.3	6.5	4.3	6.5	6.5	-	28.6
1	4	2	5	3	3	2	3	2	3	3	-	2
6.7	6.7	-	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	-	-
1	1	-	1	1	1	1	1	1	1	1	-	-
-	14.3	14.3	14.3	-	14.3	-	14.3	14.3	14.3	-	-	-
-	1	1	1	-	1	-	1	1	1	-	-	-
3.9	8.9	7.0	9.9	7.3	8.6	7.3	9.4	6.0	9.4	5.5	-	14.6
15	34	27	38	28	33	28	36	23	36	21	-	7
1.7	8.5	6.8	8.5	8.5	10.2	8.5	10.2	6.8	10.2	6.8	-	25.0
1	5	4	5	5	6	5	6	4	6	4	-	2
1.2	9.4	7.1	9.4	8.2	7.1	8.2	9.4	7.1	8.2	7.1	-	20.0
1	8	6	8	7	6	7	8	6	7	6	-	2
1.8	7.0	5.3	10.5	7.0	8.8	7.0	10.5	5.3	10.5	5.3	-	-
1	4	3	6	4	5	4	6	3	6	3	-	-
-	-	9.1	9.1	9.1	9.1	9.1	9.1	-	9.1	9.1	-	50.0
-	-	1	1	1	1	1	1	-	1	1	-	1
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
3.1	10.7	4.6	9.7	6.6	9.2	7.7	10.7	6.6	9.7	4.1	-	12.0
6	21	9	19	13	18	15	21	13	19	8	-	3
3.8	9.4	5.6	9.0	6.4	9.0	7.9	9.0	6.8	7.5	6.4	-	6.3
10	25	15	24	17	24	21	24	18	20	17	-	2
4.4	8.3	7.2	9.2	3.5	9.5	9.4	9.4	7.8	9.4	4.2	0.1	2.8
30	57	49	63	24	65	64	64	53	64	29	1	2
3.7	9.1	5.1	8.8	5.9	9.6	9.6	8.8	8.3	9.9	3.5	0.3	13.0
14	34	19	33	22	36	36	33	31	37	13	1	6
5.5	8.6	7.8	8.6	7.0	8.6	7.8	8.6	5.5	8.6	7.8	-	26.7
7	11	10	11	9	11	10	11	7	11	10	-	4
3.1	10.2	6.2	10.2	5.8	10.7	8.0	10.7	5.8	10.2	5.3	-	20.6
7	23	14	23	13	24	18	24	13	23	12	-	7
1.9	9.4	4.4	9.4	6.9	8.2	6.3	9.4	6.3	9.4	7.5	0.6	-
3	15	7	15	11	13	10	15	10	15	12	1	-
1.5	2.9	7.4	5.9	4.4	13.2	11.8	11.8	10.3	13.2	4.4	2.9	26.7
1	2	5	4	3	9	8	8	7	9	3	2	4
4.3	8.3	6.5	7.6	7.6	9.0	7.9	8.6	4.7	8.3	5.0	-	7.4
12	23	18	21	21	25	22	24	13	23	14	-	2

27. Does your company reflect the parent company's wishes?

	Total	Sub-total	Yes	No	No response
Total number	100.0 338	100.0 284	84.9 241	15.1 43	16.0 54
Industry types					
Subtotal	100.0 390	100.0 326	84.4 275	15.6 51	16.4 64
Foodstuffs	100.0 14	100.0 12	91.7 11	8.3 1	14.3 2
Textile industries	100.0 8	100.0 6	100.0 6	- -	25.0 2
Clothing and textile products	100.0 7	100.0 5	100.0 5	- -	28.6 2
Furniture and fixtures	100.0 1	100.0 1	100.0 1	- -	- -
Pulp and paper	100.0 1	100.0 1	100.0 1	- -	- -
Chemicals	100.0 48	100.0 40	87.5 35	12.5 5	16.7 8
Pharmaceuticals	100.0 8	100.0 6	83.3 5	16.7 1	25.0 2
Rubber products	100.0 10	100.0 8	75.0 6	25.0 2	20.0 2
Ceramics and stone	100.0 6	100.0 5	60.0 3	40.0 2	16.7 1
Iron and steel	100.0 2	100.0 1	100.0 1	- -	50.0 1
Nonferrous metals	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 20	90.0 18	10.0 2	20.0 5
General machinery	100.0 32	100.0 28	78.6 22	21.4 6	12.5 4
Electronics/electrical machinery	100.0 72	100.0 68	86.8 59	13.2 9	5.6 4
Electronics parts	100.0 46	100.0 38	76.3 29	23.7 9	17.4 8
Transportation machinery	100.0 15	100.0 12	100.0 12	- -	20.0 3
Transportation machinery parts	100.0 34	100.0 23	82.6 19	17.4 4	32.4 11
Precision machinery	100.0 19	100.0 17	70.6 12	29.4 5	10.5 2
Design/R&D center	100.0 15	100.0 13	92.3 12	7.7 1	13.3 2
Others	100.0 27	100.0 22	81.8 18	18.2 4	18.5 5

28. What measures are there to localize R&D structure?

	Total	Sub-total	All is centrally controlled at hqs. in Japan	Part of responsibility is given to local affiliates	Will establish international bases	No responses
Total number	100.0 338	100.0 262	23.3 61	45.8 120	30.9 81	22.5 76
Industry types						
Subtotal	100.0 390	100.0 305	23.6 72	46.6 142	29.8 91	21.8 85
Foodstuffs	100.0 14	100.0 8	25.0 2	50.0 4	25.0 2	42.9 6
Textile industries	100.0 8	100.0 6	83.3 5	16.7 1	- -	25.0 2
Clothing and textile products	100.0 7	100.0 5	- -	80.0 4	20.0 1	28.6 2
Furniture and fixtures	100.0 1	100.0 1	- -	- -	100.0 1	- -
Pulp and paper	100.0 1	- -	- -	- -	- -	100.0 1
Chemicals	100.0 48	100.0 34	35.3 12	32.4 11	32.4 11	29.2 14
Pharmaceuticals	100.0 8	100.0 5	- -	20.0 1	80.0 4	37.5 3
Rubber products	100.0 10	100.0 7	57.1 4	42.9 3	- -	30.0 3
Ceramics and stone	100.0 6	100.0 6	33.3 2	50.0 3	16.7 1	- -
Iron and steel	100.0 2	100.0 1	- -	- -	100.0 1	50.0 1
Nonferrous metals	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 14	35.7 5	42.9 6	21.4 3	44.0 11
General machinery	100.0 32	100.0 26	23.1 6	65.4 17	11.5 3	18.8 6
Electronics/electrical machinery	100.0 72	100.0 66	21.2 14	60.6 40	18.2 12	8.3 6
Electronics parts	100.0 46	100.0 32	31.3 10	46.9 15	21.9 7	30.4 14
Transportation machinery	100.0 15	100.0 12	- -	66.7 8	33.3 4	20.0 3
Transportation machinery parts	100.0 34	100.0 28	28.6 8	32.1 9	39.3 11	17.6 6
Precision machinery	100.0 19	100.0 17	11.8 2	58.8 10	29.4 5	10.5 2
Design/R&D center	100.0 15	100.0 15	- -	20.0 3	80.0 12	- -
Others	100.0 27	100.0 22	9.1 2	31.8 7	59.1 13	18.5 5

29. What are the reasons R&D is centralized at headquarters in Japan?

	Total companies centralized at hqs in Japan	Subtotal	Is based on development of its unique technology	Japanese-type ideas are sufficient	No room for diffusion of company strength	Others	No responses
	100.0	100.0	28.4	16.2	45.9	9.5	6.6
	61	74	21	12	34	7	4
Industry types							
Subtotals	100.0	100.0	26.4	14.9	49.4	9.2	5.6
	72	87	23	13	43	8	4
Foodstuffs	100.0	100.0	50.0	-	-	50.0	-
	2	2	1	-	-	1	-
Textile industries	100.0	100.0	20.0	60.0	20.0	-	-
	5	5	1	3	1	-	-
Clothing and textile products	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Pulp and paper	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Chemicals	100.0	100.0	28.6	7.1	64.3	-	8.3
	12	14	4	1	9	-	1
Pharmaceuticals	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Rubber products	100.0	100.0	50.0	-	33.3	16.7	-
	4	6	3	-	2	1	-
Ceramics and stone	100.0	100.0	33.3	-	66.7	-	-
	2	3	1	-	2	-	-
Iron and steel	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Nonferrous metals	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Metal products	100.0	100.0	25.0	-	75.0	-	20.0
	5	4	1	-	3	-	1
General machinery	100.0	100.0	25.0	37.5	37.5	-	16.7
	6	8	2	3	3	-	1
Electronics/electrical machinery	100.0	100.0	28.6	9.5	42.9	19.0	-
	14	21	6	2	9	4	-
Electronics parts	100.0	100.0	10.0	20.0	60.0	10.0	10.0
	10	10	1	2	6	1	1
Transportation machinery	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Transportation machinery parts	100.0	100.0	25.0	12.5	62.5	-	-
	8	8	2	1	5	-	-
Precision machinery	100.0	100.0	-	33.3	33.3	33.3	-
	2	3	-	1	1	1	-
Design/R&D center	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Others	100.0	100.0	33.3	-	66.7	-	-
	2	3	1	-	2	-	-

30. What is the content of design/R&D centers? (multiple responses)

	Total	Sub-total	Basic research	Product development	Product design specification change	Development of product manufacturing process technol.	Others	No response
Total number	100.0 338	100.0 204	10.8 22	34.3 70	32.8 67	15.7 32	6.4 13	68.9 233
Industry types								
Subtotal	100.0 390	100.0 225	10.2 23	34.7 78	33.3 75	16.0 36	5.8 13	70.3 274
Foodstuffs	100.0 14	100.0 2	50.0 1	50.0 1	- -	- -	- -	92.9 13
Textile industries	100.0 8	100.0 3	- -	33.3 1	33.3 1	33.3 1	- -	87.5 7
Clothing and textile products	100.0 7	100.0 6	- -	50.0 3	33.3 2	16.7 1	- -	57.1 4
Furniture and fixtures	100.0 1	100.0 2	- -	50.0 1	- -	- -	50.0 1	- -
Pulp and paper	100.0 1	- -	- -	- -	- -	- -	- -	100.0 1
Chemicals	100.0 48	100.0 28	17.9 5	35.7 10	25.0 7	21.4 6	- -	75.0 36
Pharmaceuticals	100.0 8	100.0 4	- -	75.0 3	- -	25.0 1	- -	62.5 5
Rubber products	100.0 10	100.0 8	25.0 2	25.0 2	25.0 2	25.0 2	- -	80.0 8
Ceramics and stone	100.0 6	100.0 8	25.0 2	25.0 2	25.0 2	25.0 2	- -	66.7 4
Iron and steel	100.0 2	- -	- -	- -	- -	- -	- -	100.0 2
Nonferrous metals	- -	- -	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 9	11.1 1	33.3 3	44.4 4	11.1 1	- -	84.0 21
General machinery	100.0 32	100.0 24	4.2 1	33.3 8	45.8 11	8.3 2	8.3 2	53.1 17
Electronics/electrical machinery	100.0 72	100.0 38	2.6 1	28.9 11	42.1 16	18.4 7	7.9 3	72.2 52
Electronics parts	100.0 46	100.0 22	- -	31.8 7	40.9 9	22.7 5	4.5 1	78.3 36
Transportation machinery	100.0 15	100.0 12	- -	33.3 4	50.0 6	16.7 2	- -	60.0 9
Transportation machinery parts	100.0 34	100.0 19	15.8 3	36.8 7	26.3 5	10.5 2	10.5 2	73.5 25
Precision machinery	100.0 19	100.0 8	12.5 1	25.0 2	50.0 4	12.5 1	- -	68.4 13
Design/R&D center	100.0 15	100.0 15	26.7 4	33.3 5	20.0 3	- -	20.0 3	13.3 2
Others	100.0 27	100.0 17	11.8 2	47.1 8	17.6 3	17.6 3	5.9 1	70.4 19

31. What are the reasons for promoting R&D localization? (multiple responses)

	Total companies promoting localization	Sub total	Necessary to meet local needs	Widen scope of R&D by hiring foreigners	Respond to future technological friction	Future issue is joint research with foreign companies
Total number	100.0 201	100.0 483	28.8 139	15.3 74	2.3 11	6.6 32
Industry types						
Subtotal	100.0 233	100.0 556	28.8 160	15.6 87	2.3 13	6.3 35
Foodstuffs	100.0 6	100.0 9	33.3 3	11.1 1	- -	11.1 1
Textile industries	100.0 1	100.0 3	33.3 1	- -	- -	- -
Clothing and textile products	100.0 5	100.0 8	25.0 2	12.5 1	- -	12.5 1
Furniture and fixtures	100.0 1	100.0 3	33.3 1	33.3 1	- -	- -
Pulp and paper	- -	- -	- -	- -	- -	- -
Chemicals	100.0 22	100.0 43	34.9 15	16.3 7	2.3 1	- -
Pharmaceuticals	100.0 5	100.0 13	15.4 2	23.1 3	- -	15.4 2
Rubber products	100.0 3	100.0 5	20.0 1	20.0 1	- -	- -
Ceramics and stone	100.0 4	100.0 11	18.2 2	9.1 1	18.2 2	9.1 1
Iron and steel	100.0 1	100.0 2	50.0 1	- -	- -	50.0 1
Nonferrous metals	- -	- -	- -	- -	- -	- -
Metal products	100.0 9	100.0 16	31.3 5	18.8 3	- -	6.3 1
General machinery	100.0 20	100.0 35	34.3 12	17.1 6	- -	5.7 2
Electronics/electrical machinery	100.0 52	100.0 129	25.6 33	15.5 20	3.9 5	4.7 6
Electronics parts	100.0 22	100.0 57	29.8 17	10.5 6	1.8 1	5.3 3
Transportation machinery	100.0 12	100.0 33	33.3 11	21.2 7	6.1 2	- -
Transportation machinery parts	100.0 20	100.0 55	29.1 16	14.5 8	3.6 2	7.3 4
Precision machinery	100.0 15	100.0 32	31.3 10	18.8 6	- -	12.5 4
Design/R&D center	100.0 15	100.0 46	23.9 11	21.7 10	- -	15.2 7
Others	100.0 20	100.0 56	30.4 17	10.7 6	- -	3.6 2

Prepare for competition by understanding local trends	Shorten leadtime between R&D and commercialization	Due to shortage of R&D personnel in Japan	Part of strategy to become insider in local community	Others	No responses
19.7	13.5	5.2	7.2	1.4	17.9
95	65	25	35	7	36
20.0	13.1	4.9	7.7	1.3	18.0
111	73	27	43	7	42
33.3	-	-	-	11.1	16.7
3	-	-	-	1	1
-	33.3	-	33.3	-	-
-	1	-	1	-	-
12.5	25.0	-	-	12.5	20.0
1	2	-	-	1	1
-	-	33.3	-	-	-
-	-	1	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27.9	16.3	2.3	-	-	22.7
12	7	1	-	-	5
-	23.1	7.7	15.4	-	20.0
-	3	1	2	-	1
40.0	20.0	-	-	-	33.3
2	1	-	-	-	1
9.1	18.2	9.1	-	9.1	25.0
1	2	1	-	1	1
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25.0	6.3	6.3	6.3	-	33.3
4	1	1	1	-	3
20.0	8.6	2.9	11.4	-	35.0
7	3	1	4	-	7
17.8	11.6	8.5	12.4	-	25.0
23	15	11	16	-	13
21.1	10.5	1.8	14.0	5.3	18.2
12	6	1	8	3	4
21.2	12.1	3.0	3.0	-	-
7	4	1	1	-	-
21.8	12.7	5.5	5.5	-	5.0
12	7	3	3	-	1
18.8	6.3	6.3	6.3	-	26.7
6	2	2	2	-	4
17.4	13.0	4.3	4.3	-	-
8	6	2	2	-	-
23.2	23.2	1.8	5.4	1.8	-
13	13	1	3	1	-

32. Is your company participating in local economic organizations?

	Total	Sub-total	Yes	No	No responses
Total number	100.0 338	100.0 296	64.2 190	35.8 106	12.4 42
Industry types					
Subtotal	100.0 390	100.0 342	63.7 218	36.3 124	12.3 48
Foodstuffs	100.0 14	100.0 13	61.5 8	38.5 5	7.1 1
Textile industries	100.0 8	100.0 7	71.4 5	28.6 2	12.5 1
Clothing and textile products	100.0 7	100.0 5	60.0 3	40.0 2	28.6 2
Furniture and fixtures	100.0 1	-	-	-	100.0 1
Pulp and paper	100.0 1	100.0 1	100.0 1	-	-
Chemicals	100.0 48	100.0 40	60.0 24	40.0 16	16.7 8
Pharmaceuticals	100.0 8	100.0 7	100.0 7	-	12.5 1
Rubber products	100.0 10	100.0 7	28.6 2	71.4 5	30.0 3
Ceramics and stone	100.0 6	100.0 6	83.3 5	16.7 1	-
Iron and steel	100.0 2	100.0 2	50.0 1	50.0 1	-
Nonferrous metals	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 19	63.2 12	36.8 7	24.0 6
General machinery	100.0 32	100.0 31	58.1 18	41.9 13	3.1 1
Electronics/electrical machinery	100.0 72	100.0 67	77.6 52	22.4 15	6.9 5
Electronics parts	100.0 46	100.0 40	72.5 29	27.5 11	13.0 6
Transportation machinery	100.0 15	100.0 12	75.0 9	25.0 3	20.0 3
Transportation machinery parts	100.0 34	100.0 26	53.8 14	46.2 12	23.5 8
Precision machinery	100.0 19	100.0 19	52.6 10	47.4 9	-
Design/R&D center	100.0 15	100.0 15	33.3 5	66.7 10	-
Others	100.0 27	100.0 25	52.0 13	48.0 12	7.4 2

33. What is the relationship with local economic organizations?

	Total	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5	Response 6	No response
	100.0 338	100.0 256	43.4 111	28.1 72	8.2 21	0.4 1	14.1 36	5.9 15	24.3 82
Industry types Subtotals	100.0 390	100.0 296	41.5 122	29.9 88	7.8 23	0.3 1	15.0 44	5.4 16	24.6 96
Foodstuffs	100.0 14	100.0 10	50.0 5	30.0 3	- -	- -	10.0 1	10.0 1	28.6 4
Textile industries	100.0 8	100.0 5	40.0 2	20.0 1	20.0 1	- -	20.0 1	- -	37.5 3
Clothing and textile products	100.0 7	100.0 5	40.0 2	20.0 1	20.0 1	- -	20.0 1	- -	28.6 2
Furniture and fixtures	100.0 1	100.0 1	- -	- -	- -	- -	100.0 1	- -	- -
Pulp and paper	100.0 1	100.0 1	100.0 1	- -	- -	- -	- -	- -	- -
Chemicals	100.0 48	100.0 34	44.1 15	20.6 7	5.9 2	- -	20.6 7	8.8 3	29.2 14
Pharmaceuticals	100.0 8	100.0 7	57.1 4	42.9 3	- -	- -	- -	- -	12.5 1
Rubber products	100.0 10	100.0 7	28.6 2	- -	- -	- -	57.1 4	14.3 1	30.0 3
Ceramics and stone	100.0 6	100.0 6	50.0 3	16.7 1	- -	- -	16.7 1	16.7 1	- -
Iron and steel	100.0 2	100.0 2	50.0 1	- -	- -	- -	50.0 1	- -	- -
Nonferrous metals	- -	- -	- -	- -	- -	- -	- -	- -	- -
Metal products	100.0 25	100.0 13	15.4 2	61.5 8	7.7 1	- -	15.4 2	- -	48.0 12
General machinery	100.0 32	100.0 24	37.5 9	33.3 8	8.3 2	4.2 1	12.5 3	4.2 1	25.0 8
Electronics/electrical machinery	100.0 72	100.0 62	54.8 34	24.2 15	6.5 4	- -	9.7 6	4.8 3	13.9 10
Electronics parts	100.0 46	100.0 34	32.4 11	44.1 15	5.9 2	- -	11.8 4	5.9 2	26.1 12
Transportation machinery	100.0 15	100.0 11	72.7 8	18.2 2	- -	- -	9.1 1	- -	26.7 4
Transportation machinery parts	100.0 34	100.0 19	36.8 7	52.6 10	- -	- -	10.5 2	- -	44.1 15
Precision machinery	100.0 19	100.0 17	41.2 7	11.8 2	17.6 3	- -	23.5 4	5.9 1	10.5 2
Design/R&D center	100.0 15	100.0 13	7.7 1	30.8 4	7.7 1	- -	30.8 4	23.1 3	13.3 2
Others	100.0 27	100.0 23	34.8 8	34.8 8	26.1 6	- -	4.3 1	- -	14.8 4

(1) As a member, we attend meetings regularly and are accepted as a local corporation
(2) We are a member but passive in our contacts
(3) We have no intention of becoming a member
(4) We would like to become a member but have been rejected
(5) There is no relevant organization
(6) Others

34. What cultural and voluntary activities are there in the local society? (multiple responses)

	Total	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5	Response 6	Response 7	No response
	100.0	100.0	9.8	13.5	5.4	53.7	2.0	4.4	11.1	14.2
	338	296	29	40	16	159	6	13	33	48
Industry types										
Subtotals	100.0	100.0	10.4	14.2	4.7	53.8	2.1	4.1	10.7	15.1
	390	338	35	48	16	182	7	14	36	59
Foodstuffs	100.0	100.0	8.3	8.3	8.3	41.7	16.7	-	16.7	14.3
	14	12	1	1	1	5	2	-	2	2
Textile industries	100.0	100.0	-	16.7	-	66.7	16.7	-	-	25.0
	8	6	-	1	-	4	1	-	-	2
Clothing and textile products	100.0	100.0	20.0	20.0	-	40.0	-	20.0	-	28.6
	7	5	1	1	-	2	-	1	-	2
Furniture and fixtures	100.0	100.0	-	-	-	-	-	-	100.0	-
	1	1	-	-	-	-	-	-	1	-
Pulp and paper	100.0	100.0	-	-	-	100.0	-	-	-	-
	1	1	-	-	-	1	-	-	-	-
Chemicals	100.0	100.0	12.2	14.6	4.9	53.7	-	4.9	9.8	14.6
	48	41	5	6	2	22	-	2	4	7
Pharmaceuticals	100.0	100.0	14.3	14.3	-	57.1	-	-	14.3	12.5
	8	7	1	1	-	4	-	-	1	1
Rubber products	100.0	100.0	-	14.3	-	42.9	-	-	42.9	30.0
	10	7	-	1	-	3	-	-	3	3
Ceramics and stone	100.0	100.0	16.7	-	16.7	50.0	-	-	16.7	-
	6	6	1	-	1	3	-	-	1	-
Iron and steel	100.0	100.0	-	-	-	50.0	-	-	50.0	-
	2	2	-	-	-	1	-	-	1	-
Nonferrous metals	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Metal products	100.0	100.0	5.9	-	-	76.5	5.9	11.8	-	32.0
	25	17	1	-	-	13	1	2	-	8
General machinery	100.0	100.0	15.4	3.8	3.8	57.7	3.8	7.7	7.7	18.8
	32	26	4	1	1	15	1	2	2	6
Electronics/electrical machinery	100.0	100.0	13.2	27.9	7.4	44.1	1.5	-	5.9	8.3
	72	68	9	19	5	30	1	-	4	6
Electronics parts	100.0	100.0	10.0	10.0	5.0	60.0	-	5.0	10.0	15.2
	46	40	4	4	2	24	-	2	4	7
Transportation machinery	100.0	100.0	20.0	30.0	-	50.0	-	-	-	33.3
	15	10	2	3	-	5	-	-	-	5
Transportation machinery parts	100.0	100.0	4.0	16.0	4.0	60.0	4.0	12.0	-	26.5
	34	25	1	4	1	15	1	3	-	9
Precision machinery	100.0	100.0	10.0	10.0	5.0	50.0	-	5.0	20.0	-
	19	20	2	2	1	10	-	1	4	-
Design/R&D center	100.0	100.0	-	12.5	6.3	43.8	-	-	37.5	-
	15	16	-	2	1	7	-	-	6	-
Others	100.0	100.0	10.7	7.1	3.6	64.3	-	3.6	10.7	3.7
	27	28	3	2	1	18	-	1	3	1

35. What friction do you anticipate with local industry and society accompanying your company's advance into Europe?

	Total	Sub-total	Response 1	Response 2	Response 3	Response 4	Response 5
	100.0	100.0	4.4	3.9	13.6	13.6	6.8
	338	411	18	16	56	56	28
Industry types Subtotals	100.0	100.0	5.0	4.1	13.3	13.5	7.0
	390	483	24	20	64	65	34
Foodstuffs	100.0	100.0	-	6.7	6.7	13.3	6.7
	14	15	-	1	1	2	1
Textile industries	100.0	100.0	-	-	-	-	14.3
	8	7	-	-	-	-	1
Clothing and textile products	100.0	100.0	-	-	-	14.3	-
	7	7	-	-	-	1	-
Furniture and fixtures	100.0	-	-	-	-	-	-
	1	-	-	-	-	-	-
Pulp and paper	100.0	100.0	-	-	-	-	-
	1	1	-	-	-	-	-
Chemicals	100.0	100.0	1.5	6.2	12.3	16.9	21.5
	48	65	1	4	8	11	14
Pharmaceuticals	100.0	100.0	-	14.3	-	-	28.6
	8	7	-	1	-	-	2
Rubber products	100.0	100.0	-	-	10.0	20.0	20.0
	10	10	-	-	1	2	2
Ceramics and stone	100.0	100.0	11.1	-	22.2	-	-
	6	9	1	-	2	-	-
Iron and steel	100.0	100.0	-	-	-	-	-
	2	2	-	-	-	-	-
Nonferrous metals	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Metal products	100.0	100.0	8.0	4.0	12.0	32.0	4.0
	25	25	2	1	3	8	1
General machinery	100.0	100.0	2.5	2.5	12.5	22.5	-
	32	40	1	1	5	9	-
Electronics/electrical machinery	100.0	100.0	7.9	4.0	14.9	6.9	3.0
	72	101	8	4	15	7	3
Electronics parts	100.0	100.0	6.9	3.4	13.8	15.5	-
	46	58	4	2	8	9	-
Transportation machinery	100.0	100.0	5.3	-	10.5	5.3	15.8
	15	19	1	-	2	1	3
Transportation machinery parts	100.0	100.0	4.9	2.4	14.6	17.1	4.9
	34	41	2	1	6	7	2
Precision machinery	100.0	100.0	8.7	4.3	17.4	13.0	13.0
	19	23	2	1	4	3	3
Design/R&D center	100.0	100.0	5.3	15.8	21.1	10.5	5.3
	15	19	1	3	4	2	1
Others	100.0	100.0	2.9	2.9	14.7	8.8	2.9
	27	34	1	1	5	3	1

(1) Friction resulting from advance into industry fields which are protected by local government and EC
(2) Technological friction in high-tech areas
(3) Friction resulting from insufficient localization management and manufacturing
(4) Backlash against Japanese-style management practices by labor unions and employees
(5) Rise of citizen movements in environmental protection and consumer protection

Response 6	Response 7	Response 8	Response 9	No response
11.4	11.2	34.1	1.0	13.9
47	46	140	4	47
11.6	11.2	33.3	1.0	14.1
56	54	161	5	55
6.7	6.7	53.3	-	14.3
1	1	8	-	2
14.3	-	71.4	-	25.0
1	-	5	-	2
28.6	14.3	42.9	-	28.6
2	1	3	-	2
-	-	-	-	100.0
-	-	-	-	1
-	-	100.0	-	-
-	-	1	-	-
4.6	18.5	16.9	1.5	18.8
3	12	11	1	9
14.3	28.6	14.3	-	25.0
1	2	1	-	2
-	20.0	30.0	-	30.0
-	2	3	-	3
33.3	-	33.3	-	-
3	-	3	-	-
-	-	100.0	-	-
-	-	2	-	-
-	-	-	-	-
-	-	-	-	-
12.0	4.0	24.0	-	28.0
3	1	6	-	7
10.0	12.5	37.5	-	12.5
4	5	15	-	4
10.9	15.8	35.6	1.0	4.2
11	16	36	1	3
12.1	8.6	37.9	1.7	13.0
7	5	22	1	6
15.8	15.8	31.6	-	20.0
3	3	6	-	3
14.6	9.8	31.7	-	20.6
6	4	13	-	7
4.3	4.3	34.8	-	10.5
1	1	8	-	2
-	5.3	31.6	5.3	-
-	1	6	1	-
29.4	-	35.3	2.9	7.4
10	-	12	1	2

(6) Backlash by local competitors
(7) Backlash by local society resulting from overpresence of Japanese corporations
(8) There seems to be no major friction problems
(9) Others

List of Japanese-Affiliated Manufacturers in Europe

United Kingdom (1)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in £10,000)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
AVX Ltd.	Kyocera, Ltd. (100%)	75	79	2,500	1,611(0)	Ceramic Capacitors, Tantalurn Capacitors	
Accuroma U.K. Ltd.	Kiken Kogyo, Ltd.(30.76%) Fuji Seiko (30.76%) Wataru Printing & Processing (7.69%) Sanetsu Warehousing(30.7%)	87	88	26	4(0)	Plastic formed parts	
Aisin Seiki UK Research Laboratory	Aisin Seiki, Ltd.	83				R&D for automotive parts	
Aiwa (U.K.) Ltd.	Aiwa, Ltd. (100%)	80	80	1,000	500(9)	Hi-Fi audio, CD players, cassette decks, intermediate components	
Alps Electric (U.K.) Ltd.	Alps Electric (UK), Ltd. (100%)	84.11	85	1,900	600(17)	Production and sale of VCR, VCR parts, and TV parts	
Alps Electric(Scottland) Ltd.	Alps Electric (UK) Ltd (100%)	90.10	91.04	20	240	Manufacturing of TVs and TV tuners	
Aplicot Computers Limited	Mitsubishi Electric, Ltd. (100%)	90.05	90.05	320	442(7)	Computer hardware	
Asahi-Illingworth Morris Ltd.	Asahi Chemical Industries (50%)					Dying of acrylics, top processing and dying, sales of dyed tops	Woolcombers Holdings (50%)
B.K.L. Fittings Ltd.	Benkan Co. (85%) Mitsubishi Trading Co., London, (15%)	85	85	150	340(4)	Manufacture and sales of welded pipe joints	
Ben Nevis Distillery	Nikka Whisky, Ltd.(80%) Mitsui Bussan, Inc.(20%)	89.04	90	110	16(0)	Production and sale of whiskey	
Birkbys Plastics	Marubeni (85%), Sankyo Synthetic Resin Industries (15%)	20	90 capital participation			Plastics	
Braham Millar Group Plc	Hitachi Construction Machinery, Inc. (100%)					Manufacturing and sales of machinery	
British Bio-technology Ltd.	Chugai Pharmaceuticals (6.5%) Nippon Godo Finance(2.2%) Other (6.6%)	89.05 capital participation			73(0)	Development of pharmaceuticals and research reagents using biotechnology	Biotechnology Invest. (11.4%), Abingworth Plc & Ass. Ford, etc. (73.2%)
Brother Industries (U.K.) Ltd.	Brother Industries, Inc. (100%)	85.03	85	850	634(24)	Manufacturing of electronic typewriters, electronic ranges, and dot matrix printers	
Calsonic Exhaust Systems (UK) Ltd.	Calsonic, Ltd. (100%)					Automotive air-conditioners	
Canon Research U.K.	Canon, Ltd. (25%)		88		6	R&D on information equipment	
Canyon Europe Ltd.	Canon, Ltd. (100%)	86	87	25	120(4)	Spray equipment and trigger-type injectors	
Citizen Manufacturing (U.K.) Ltd.	Citizen Watches, Ltd. (94.3%) and Citizen Europe, Ltd, (5.7%)	87.06	87	350	223(7)	Manufacturing of computer printers	
Clarion Shoji (U.K.) Ltd.	Clarion, Ltd. (100%)	80	89	166	60(2)	Manufacture and sale of industrial electric equipment, car audios	
Computer Applications Europe	Computer Applications Europe	90				Development of information systems	
Cookson Fukuda Ltd.	Fukuda Metallic Foil and Powder Industries (40%) Nissho Iwai, Ltd. (10%)	89.07	91	600	90(4) Expected	Manufacture of electrolytic copper foils	Cookson Group PLC (50%)
D2B Systems Company, Ltd.	Matsushita Electric Industries, Ltd. (25%)	90		300	10(2)	Dissemination, application and development of DB2 systems	Philips (The Netherlands)
DHK (UK) Limited	Daido Kogyo, Ltd. (70%) Hayami Springs, Inc.(30%)	85	85	50	35(0)	Manufacture and sale of springs for safety belts	

[continuation of list]

United Kingdom (2)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in ¥10,000)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Dainippon Screen Engineering of Europe Co., Ltd.	Dai Nippon Screen Manufacturing Industries, Ltd. (100%)	85	85	345	31(1)	Manufacture of color scanners, disk drive units	
Daiwa Sports Limited	Daiwa Seiko, Ltd. (100%)	77.01	77	102.4	183(2)	Manufacture and sales of fishing gear and golf clubs	
Diaplastics (U.K.) Ltd.	Mitsubishi Resins, Inc. (30%) and Mitsubishi Trading Co. (70%)	87.08	88	500	200(7)	Manufacture and sales of injection molded parts for TVs, OA equipment	
Digi Europe Ltd.	Teraoka Seiko Co. (60%)	89	89	50	18(5)	Automatic weighing and labeling machines	Herbent & Sons Limited(40%)
Doverstrand Ltd.	Dainihon Ink Chemical Industries, Ltd.			80		Manufacture of latex for cement adhesives for carpets, building materials, and concrete	
Dowty Koike	Koike Rubber (40%) and C. Itoh Trading Co.(20%)	91.01				Rubber rollers	Dowty Co.
Dundee Textiles Ltd.	Kurabo (37.5%) Tomen Co. (25%)		90	101	210(3)	Dyeing and processing of cotton fabrics, polyester cotton mixed fabrics	Tootal Groupe Plc. U.K. (37.5%)
Dunlop Topy Wheel Ltd.	Toppi Industria, Ltd. (15%)	87	87	100	600(0)	Manufacture of automotive sheels	Capital participation
Dynic (UK) Ltd.	Dainikku (59.9%) C. Itoh Trading Co.(12%) C. Itoh (UK) (25%) Kyoto Business Supply(0.1%)	89.12		20	19(3)	Inked rubber cassettes for printers	
ELTA Plastics Ltd.	Nifuko, Inc. (80%) Marubeni (15%) U.S. Marubeni (5%)	86	90 Acquisition	1.1	127(1)	Plastic parts	
Eadie Brother & Co., Ltd.	Kanai Jyuyo Industries, Ltd. (100%)	87	87	100	110(2)	Rings and travelers for textile machinery	
Eisai Europe Ltd.	Ezai (100%)	88.06		40	13(3)	Development of new clinical drugs	
Electronic Harnesses (U.K.) Ltd.	Onamba, Ltd. (51%) Sumitomo Electric, Ltd. (49%)	88	88	250	110(4)	Manufacture and sales of domestic wire-harnesses	
Enplas U.K. Ltd.	Enplas Co. (100%)	88.06	88	100	35(4)	Manufacture and sales of precision plastic parts	
Epson Telford Ltd.	Seiko Epson, Ltd. (100%)	87	88	800	650(14)	Manufacture of terminal printers and personal computers	
European Components Corp.							
European Technological Composit, Ltd (ETC, Ltd.)	Ube Kosan (70%) Marubeni (30%)	90.09	92.04 Expected	200		Manufacture and sales of plastic composites	
Feslente Aikoh Ltd.	Aiko					Manufacture and sales of steel chemistry items	
Freed of London							
Fuji Seal Europe Ltd.	Fuji Seal Industries, Ltd. (100%)	86	87	50	98(6)	Manufacture and sales of shrink labels	
Fujicopian UK	Fuji Chemicals and Paper Industries (100%)	89.11	90	20	30	Manufacture and sales of film ribbons	
Fujitsu Europe Telecom R&D Centre Ltd.	Fujitsu, Ltd.	90				R&D on telecommunications equipment (hard and software)	
Fujitsu Microelectronics Ltd.	Fujitsu, Ltd.		83		8(0)	R&D on ASIC, and manufacture and R&D on semiconductors	
Funai Electric(U.K.) Ltd.	Funai Electric Co., Ltd. (51%)	87.03	87	200	150(6)	Manufacture of video recorders and TVs	Amstrad(49%)
GKK Plastics, Ltd.	Brother Industries, Ltd. (44%), Kato Toku Trading Co., Ltd. (26%), Gifu Plastics, Ltd. (17%), Kanematsu, Inc. (13%)	89.12	90	115	43(5)	Plastic molding products	
Goldwell (Hair Cosmetics) Ltd.	Kao, Ltd.					Hair cosmetics	
Gooding Sanken Ltd.	Sanken Electric, Ltd. (49%)	88.08	80	850		Manufacture and sales of electronic parts	C. Itoh Ule Ltd. (20%)
Gould Electronics Ltd.	Nihon Kogyo (100%)					Electrolytic copper foils	
Hanix Europe Ltd.	Hanix Corporation(100%)	88.04	88.07	120	48(3)	Manufacture of small pneumatic shovels	

[continuation of list]

United Kingdom (3)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in ¥10,000)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Hashimoto Ltd.	Hashimoto Forming Industries, Ltd. (100%)	89.09	90	300	118(4)	Manufacture of transportation machinery parts, and automotive parts	
Hitachi Consumer Products (U.K.) Ltd.	Hitachi Manufacturing Co. (81%), Hitachi Thermal Equipment Co. (19%)	84		900	1,000(14)	Manufacture of color TVs, VCRs, and electronic ranges	
Hoechst Daicel Polymers, Ltd.	Daicel Chemicals Industries, Ltd. (45%)	90	90	200		Manufacture and sales of ABS resin compounds and alloys	Hoechst Co. (55%)
Honda Engeneering Euro Office	Honda Giken Industries, Ltd.	90.05		15	18(8)	R&D manufacturing technology	
Honda of the U.K. Manufacturing Ltd.	Honda Giken Industries, Ltd. (100%)	85.02		6,000	400(10)	Manufacture of automotive engines	
Hosiden Besson Ltd.	Hoshiden Ltd. (99%) Hoshiden Europe GmH (1%)	90.03	90	350	393(0)	Plastic forming of capsules, alarms, and handsets; and manufacture and sales of telephones and line jacks	
Hosokawa Micron Ltd.	Hosokawa Micron, Ltd. (100%)	64		20	90(1)	Manufacture and sales of power equipment	
Hoya Lens U.K. Ltd.	HOYA, Ltd. (100%)	80	80	315	110(1)	Manufacture and sales of lenses	
IBC Vehicles Ltd.	Isuzu Motors Co., Ltd. (40%)	87.09	87	3,300	1,780(4)	Manufacture of commercial vans	A U.S. company (60%)
ICL PLC	Fujitsu, Ltd. (80%)	68	90.11 capital participation	13,500	22,000	Manufacture and sales of computers	
IK Precision Company Ltd.	Inahata Industries, Ltd. (30%) I&P Co., Ltd. (40%)	89	89	35	40(2)	Manufacture and sales of plastic parts for printers	A U.S. company (30%)
Ikeda Hoover Ltd.	Ikeda Bussan Co., Ltd. (51%)	86.02	86.02	40	437(4)	Manufacture and sales of car seats	Hoover Universal of the U.S. (49%)
Imaginia International UK	Imagina (Misawa Home Group)					Game software	
Installed Seating Ltd.	Kotobuki Co., Ltd.	86	86	5.5	40(2)	Manufacture and sales of theater chairs	Iah Hill(25%)
JVC Manufacturing (U.K.) Ltd.	Nippon Victor Co., Ltd. (100%)	88.05	88	600	480(15)	Manufacture of color TVs	
KME Informations Systems (U.K.), Ltd.	Matsushita Electric Industries, Ltd. (100%)	89.06		800	50(2)	Telephone equipment	
KW Painting	Kiyokuni Indusstries, Ltd. (Kiyokuni Europe) (49%), Western Coating Co. (49%), and Kuroiwa Koki Co. (2%)			10		Electrolytic coating of press parts	Kiyokuni Europe
Kato Precision (U.K.) Ltd.	Kato Spring Manufacturing Co., Ltd. (100%)	88.09	89.04	200	30(1)	Manufacture and sales of MFD parts	
Kemble & Co., Ltd.	Yamaha, Ltd. (79.5%)	48	48	8.5	150(4)	Manufacture and sales of pianos	Kemble Family (20.5%)
Keymed Ltd.	Olympus Optical Industries, Ltd. (100%)	87.12	87.12	1,000		Optical equipment for medical and industrial applications	
Kibun Co., (U.K.) Ltd.	Kibun Co. (100%)	83.12	86	550	100(3)	Manufacture and sales of crab leg kamaboko and other frozen foods	
Kitagawa MFG Europe	Kitagawa Tekkosho Co. Inc.	89.12	91.05 Planned			Machine-tool parts (power chucks)	
Kiyokuni Europe Ltd.	Kiyokuni Industries, Ltd. (100%)	87.11	87	60	90(8)	Manufacture of metal parts for precision machinery	
Kobe Steel Europe Ltd.	Kobe Steel, Inc. (100%)	84	88	50	5(2)	R&D for plastic zippers	
Kobe Steel Europe Ltd. Research Laboratory	Kobe Steel, Inc. (100%)					R&D on diamond films	
Komatsu U.K. Ltd.	Komatsu Manufacturing Co., Inc. (100%)	85.12		130	395(14)	Manufacture of hydraulic shovel wheel rotors	
Komori Chambon S.A. London Division	Komori Corporation					Manufacture of printing machines	
Koyo Bearings (Europe) Limited	Koyo Seiko, Ltd. (100%)	90.02	91 Planned	115		Manufacture of ball bearings and roller bearings	

[continuation of list]

United Kingdom (4)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in ¥10,000)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Kratos Analytical Ltd.	Shimazu Manufacturing Co. (100%)	89.06	89.06	80	150(3)	Manufacture of analyzers	
Kuretake UK Ltd.	Kuretake Seikodo					Pencils and pens	
Kyushu Matsushita Electric (U.K.) Ltd.	Kyushu Matsushita Electric Co. (60%), Matsushita Electric Industries (40%)	86.08	87.01	1,200	469(9)	Manufacture of typewriter printers and telephones	
Laura Ashley Holdongs Plc	Jusco	54	54	7,291.8	7,944 In manufacturing div. 2,838	Manufacture and sales of high class ladies' dresses	
Lomondside Knitwear Ltd.	George Takaoka Co.					Knitwear	
Lucas SEI Wiring Systems, Ltd.	Sumitomo Electric Industries and Sumitomo Wiring Systems (30%)	89	89		1,000(1)	Automotive Wiring Systems	Lucas Industries UK(70%)
Lucas Yuasa Batteries Ltd.	Yuasa Batteries, Ltd. (50%)	88.08		400	650(0)	Manufacture of car batteries	Lucas UK (50%)
Makita Manufacturing Europe Ltd.	Makita Manufacturing Co., (25%) and Makita Electric (UK) Ltd. (75%)	89	91.06 Anticipated	640	6(4)	Manufacture and R&D of electric tools	
Marley Kanto Ltd.	Kanto Seiki, Ltd. (50%)	90	92	800 Anticipated	2(0)	Manufacture and sales of instrument panel for cars	Marley PLC(50%)
Marusawa (Telford) Ltd.	Maruzawa Kiko Co., Ltd. (81%), Sumitomo Shoji, Ltd. (9.5%), UK Sumitomo Shoji (9.5%)	89	89	44	42(5)	Manufacture and sales of precision shafts for electronic and telecommunications equipment	
Matsushita Communication Industry (U.K.) Ltd.	Matsushita Telecommunication Industries, Ltd. (100%)	88.03	88	350	170(5)	Manufacture and sales of car phones	
Matsushita Electric (U.K.) Ltd.	Matsushita Electric Industries, Ltd.(91%), Matsushita Housing Equip.Co.(9%)	74	74	1,500	1,621(32)	Manufacture of color TVs and electronic ranges	
Matsushita Electric Components U.K. Ltd.	Matsushita Electric Equip. Ltd.(40%), Matsushita Electronics Parts Co.Ltd.(60%)	88	88	150	160(4)	Manufacture of various electronics equipment, parts	
Matsushita Electric Magnetron Corp.	Matsushita Electronics Application Equip. Co. (100%)	89.07	90.05	230	18(4)	Manufacture and sales of magnetrons for electronic ranges	
Matsushita Graphic Communication Systems (U.K.)Ltd.	Matsushita Denso Ltd.(60%) Matsushita Electric Equip. Industries, Ltd. (40%)	89	90	600	63(7)	Manufacture of fax machines	
Maxell (U.K.) Ltd.	Hitachi Maxell Co., Ltd. (100%)	80	83	1,600	500(12)	Manufacture and sales of videotapes, floppy disks and audio tapes	
Meiki (U.K.), Ltd.	Meiki Co., Inc. (80%) Mitsubishi Trading Co., Ltd. (20%)	88	90	50	8(3)	Manufacture of metal molds for plastic forming	
Merlin Aerials Ltd.	Nihon Antenna Co., Ltd. (100%)	76	80	6.12	10(2)	Manufacture and sales of car antenna cables	
Middlebridge Scimitar Ltd.							
Mimatsu U.K. Ltd.	Mimatsu Trading Co.					Manufacture and sales of neckties	
Minova Ltd.	Sansetsu Wool Products Co., Ltd. (20%)	79	79	10	39(2)	Manufacture and sales of wool products	
Misumi (U.K.) Ltd.	Misumi, Inc.	89.11	89.11	30	2(1)	Contract manufacture of metal products	
Mitsubishi Electric (U.K.) Ltd.	Mitsubishi Electric Co., Ltd. (100%)	79	79	800	1,200(17)	Manufacture of color TVs and VCRs	
Mitsumi U.K. Ltd.	Mitsumi Electric (100%)		87.12	130	207(4)	Manufacture of electric machinery and equipment	
Mitutoyo (UK) Ltd.	Mitsutoyo, Inc. (100%)	79	91.04	360		Precision instruments and equipment	
Mizuno (UK) Ltd.	Mizuno (100%)		90.12			Manufacture of golf accessories	
MORITEX Europe Ltd.	Moritex, Inc. (45%)	91	91	15	3(0)	Optical fibers	One individual (55%)
Morgan Tocera Co., Ltd.	Toshiba Ceramics, Ltd. (49%)	87.07	87.12	240	78(0)	Manufacture and sales of fire resist. ceramics for steel manufacturing proc.	The Morgan Crucible Co. (51%)
Murata Manufacturing (UK) Ltd.	OSG (100%)	90	90	130	65(5)	Multilayered ceramic chip capacitors and EMI filters	
Murray Allan of Innerleithen	Toyo Spinning Industries (93%)	90	90	150	124(0)	Manufacture and sales of cashmere, lambswool, and cotton knit wear	

[continuation of list]

United Kingdom (5)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in ¥10,000)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
ND Marston Ltd.	Nippon Denso International UK (75%)	89	89	300	960(0)	Manufacture and sales of aluminum and steel radiators	Magnetic Mallery (25%)
NEC Electronics (UK) Ltd.	NEC Inc. (100%)	81.01		100		R&D and sales of semiconductors and other electronic parts	
NEC Semiconductors (U.K.) Ltd.	NEC Inc. (100%)	81	82.10	6,040	725(24)	Manufacture of semiconductor integrated circuits (LSI and superLSI)	
NEC Technologies (U.K.) Ltd.	NEC Inc. (100%)	87	88	2,421	724(29)	Manufacture of printers, monitors and car phones	
NSK Bearings Europe Ltd.	NEC, Ltd. (100%)	74.01	76	4,260	799(59)	Ball bearings, steering columns, and forged rings	
NSK-AKS Precision Ball Europe Ltd.	Nihon Seiko, Ltd. (100%)	89.02	90	1,450	65(6)	Steel balls for ball bearings	
Nissan European Technology Centre	Nihon Seiko, Ltd. (60%) Amatsuji Steel Ball Co. (40%)	88.05	88.08	1,350	299(58)	R&D for automobiles	
Nissan Motor Manufacturing U.K. Ltd.	Nissan Technical Center (100%)	84.04	86	11,000	2,500(40)	Manufacture of cars (Primera) and automotive parts	
Nissan Yamato Engineering Ltd.	Nissan Motors, Ltd. (100%)	87	90	360	278(4)	Manufacture of thin panels for cars	
Nissinbo Mechatronics Systems (Europe), Ltd.	Yamato Industries, Ltd. (20%), Nissan Motor Manufacturing UK, Ltd. (80%)	90.04	90.04	50	4(3)	Machine tools	
Nittan (U.K.) Ltd.	Nisshinbo, Ltd. (100%) (Nisshinbo, Netherlands)	72.06	72	30	89(2)	Disaster prevention equipment and substrates for electronic circuits	Smith Industries (0.01%)
Oki (U.K.) Ltd.	Nittan, Ltd. (69.99%) Okura (15%), Okura UK(15%)	87	87	200	495(12)	Manufacture of computer printers	
Omron Electrics (U.K.) Ltd.	Oki Electric Industries, Ltd. (100%)	87	88	80	85(6)	Manufacture and sales of PCB assemblies, and flat keyboard assemblies	
Optec D.D. (U.K.) Ltd.	Daiichi Denko, Ltd. (100%)	87.08	88.04	500	165(5)	Wire harnesses and magnet wires	
Organo (Europe) Ltd.	Organo (100%)	90.02		20	4(2)	Manufacture and sales of water treatment equipment	
Orion Electric (U.K.) Ltd.	Orion Electric (100%)	86.04	86		550(10)	VTR	
PHOENIX Electric (UK) Ltd.	Phoenix Electric Machinery, Ltd. (100%)	90.01	91.01	75	100(3)	Manufacture of halogen lamps	
Palnics Europe Ltd.	Tanenaka Group Center					Sensors	
Pan Britannica Industries Limited	Sumitomo Shoji (100%)	62	62	2,800	168(1)	Agricultural chemicals, fertilizer, garden fertilizer, insecticides, etc.	
Pioneer Electronics Technology (U.K.) Ltd.	Pioneer, Ltd. (100%)	90.05	91 Summer	1,530	-	Manufacture and sales of audio equipment	
Polychrome Ltd.	Polychrome (100%)	76	79	70	86	Aluminum plates for offset printing	
Premier Percussion Ltd.	Yamaha, Ltd. (100%)	83.04	83	635	224(2)	Manufacture and sales of percussion-type music equip.	
Protec Equipment Co., Ltd.	Nikko Shoji, Ltd. (100%)	87.08	88.05	10	38	Processing machines for polymer films	
Race Electronics	C. Itoh, Ltd. (20%)	83	83	290	1,300(3)	Manufacture and sales of PCB assemblies	
Raika Sha	Daiichi Chemicals, Ltd.					Manufacture of plastic precision parts	
Research & Development Centre, Hitachi Europe Ltd.	Hitachi Manufacturing Co., Ltd.					R&D	
Reydel Ltd.	Kawanishi Industries (18.5%)	87	89	150	330(1)	Manufacture and sales of auto interior accessories	J. Reydel S.A. (81.5%)
Ricoh U.K. Products Ltd.	Ricoh, Inc. (100%)	83.12	84	550	650(31)	Manufacture of supplies for fax and PPC	
Rinnai Industries U.K. Ltd.	Rinnai, Ltd.					Manufacture and sales of gas equipment	
Rose Bearings Ltd.	Minebea (100%	87.12				Bearings	

[continuation of list]

United Kingdom (6)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in ¥10,000)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Rover Group Ltd.	Honda Giken Industries (Ltd.)					Cars	Rover Group
Royal Sovereign	Mitsubishi Pencil Co.	90.06 Acquisition				Manufacture and sales of stationery and materials for painting	
Ryobi Aluminium Casting (UK) Ltd.	Ryobi Co., Ltd. (100%)	90	92	2	2(0)	Manufacture and sales of diecast products	
Ryobi Masterline Ltd.	Ryobi Co., Ltd. (80%)	82	82	1	31(0)	Manufacture and sales of fishing tackles	Talco(20%)
SMK (U.K.) Ltd.	SMK Co., Ltd.	88	88	340	167(4)	Manufacture of remote control units, keyboards, and switches	
SP Tyres U.K. Ltd.	Sumitomo Rubber Industries Ltd. (81%), Sumitomo Electric Indus., Ltd. (7%), Ohtsu Tire Co.,Ltd.(6%), and other Japanese companies	84.02	85	4,000	1,910(4)	Manufacture and sales of tires	
Sam Thompson Group	Chacott Co., Ltd. (100%)				350(0)	Manufacture and sales of toe shoes, leotards,and tights	
Sanko Gosei (U.K.) Ltd.	Sanko Synthetic Resin Indus.(70%), Marubeni (15%), UK Marubeni (15%)	87.10	88.06	180	95(4)	Metal molds, and mold making machines	
Sansetsu (U.K.) Ltd.	Mitsuyuki Unyu Co., Ltd. (100%)	78.11	79	6	36(3)	Manufacture and sales of plastic films	
Sanyo Electric Manufacturing Co Ltd.	Sanyo Electric Co., Ltd. (80%), Sanyo Electric Trading Co.,Ltd. (20%)	88	88	500	310(14)	Manufacture of magnetrons and electronic ranges	
Sanyo Gallen Kamp Plc	Sanyo Electric Co., Ltd. (100%)	90.07	90.09	700	280	Manufacture and sales of bio-instruments for manufacture of pharmaceuticals	
Sanyo Industries (U.K.) Ltd.	Sanyo Electric Co., Ltd., (40%), Sanyo Electric Trading Co. (40%), Marubeni and Sanyo Marubeni (20%)	81		500	598(11)	Manufacture of color TVs	
Seiko Instruments, U.K. Ltd.	Seiko Electronics Industries, Ltd. (100%)	89.10	90	148	50(3)	Small-scale microthermal printers	
Sekisui (U.K.) Ltd.	Sekisui Chemical Industries, Ltd. (100%)	75.11	78	60	81(1)	Expanded polyethylene	
Sharp Laboratories of Europe Ltd.	Sharp Co.,Ltd. (10%) Sharp UK(SUK) (88.6%), Sharp Germany(SEEG) (5.7%) Sharp Spain(SEES) (5.7%)	90		110		Information processing technology	
Sharp Manufacturing Co.,.of the U.K. Ltd.	Sharp Corporation, Ltd. (100%)	85.02	85	1,618	1,200(28)	Manufacturing of video cassettes, CD players, electronic ranges, electronic typewriters, and copiers	
Sharp Precision Manufacturing (U.K.) Ltd.	Sharp Corporation, Ltd. (100%)	88.07		240	55(3)	Engineering plastics	
Shin-Etsu Handotai Europe Ltd. (SEH Europe Ltd.)	Shinetsu Semiconductor Co., Ltd. (100%)	84	85	900	104(5)	Manufacture of semiconductor wafers	
Showpla UK	Showa Plastic Co., Ltd. (55%), Idemitsu Kosan (45%)	89	89	120	150(2)	Manufacture and sales of plastic formed materials	
Shrinkweld Systems Ltd.	Fujikura Cables Co.(25%)	89.04	89	40	17(0)	Manufacture and sales of telecommunication equipment	ALH System Limited(75%)
Sony (U.K.) Ltd. (Sony Manufacturing Co. U.K.)	Sony, Ltd. (100%)	73.05	73	3,350	1,800(49)	Manufacture and design R&D of color TVs, cathode ray tubes, and various TV parts	
Sony Broadcast & Communication Ltd.	Sony, Ltd. (100%)	78		175		Design center, R&D, and sales	
Star Micronics Manufacturing U.K. Limited	Star Precision Machinery Co., Ltd.(100%)	88	88	400	360(4)	Manufacture of dot printers for PCs	
Sun Chemical Pigments Ltd.	Dainihon Ink Chemical Industries, Ltd. (100%)			1,000		Manufacture and sales of organic dyes	
Swift Adhesives Ltd.	Dainihon Ink Chemical Industries, Ltd. (100%)			2		Manufacture and sales of adhesives	
TEC (U.K.) Ltd.	Tokyo Electric Co., Ltd. (100%)	80	88	300	10(0)	Electronic scales for commercial use	

[continuation of list]

United Kingdom (7)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in £10,000)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
TP Consumables Ltd.	Seiko Epson, Ltd. (50%) General, Ltd. (50%)	88	89	150	60(2)	Manufacture and sales of printer cartridge ribbons	
TYK Limited	TYK, Inc. (100%)	88	88	50	12(1)	Manufacture and sales of fire-resistant materials	
Tabuchi Electric U.K. Ltd.	Tabuchi Electric Co., Ltd. (100%)	85	85	400	600(10)	Manufacture and sales of various potentiometers and power supplies	
Takara Belmont (U.K.) Ltd.	Takara Belmont, Inc. (100%)	59	59	160	18(3)	Dental equipment and beauty parlor equipment	
Takiron (U.K.) Ltd.	Takiron, Ltd. (99.5%)	73	74	190	68(2)	Manufacture of PVC wavy plates and flat plates	
Tamura Hinchley Ltd.	Tamura Manufacturing Co., Ltd. (100%)	89.02	89.02	284	311(5)	Manufacture and sales of transformers and power supplies	
Tamura Kaken (U.K.) Ltd.	Tamura Kaken Chemical Laboratories, Ltd. (100%)	80.11	81.03	27	15(2)	Manufacture and sales of printing ink for printed circuit boards	
Tenma (U.K.) Ltd.	Tenma, Ltd. (80%) Sumitomo Shoji, Ltd. (15%) UK Sumitomo (5%)	88	88	350	130(7)	Manufacture and sales of TV parts and precision equipment	
Terasaki (Europe) Ltd.	Terasaki Electric Industries (100%)	70	71	100	107	Switches for electric circuits	
The Advanced Development	Sony Broadcast and Communications					R&D	
The Tomatin Distillery Co., Ltd.	Takara Brewery, Ltd. (80%) Ohkura Shoji (20%)	86	86	250	30(0)	Manufacture and sales of raw whiskey	
The Union Chemicar U.K. Ltd.	Union Chemicals, Ltd. (100%)	89	89	20	16(1)	Manufacture and sales of ink ribbons	
Tomoe Saunders, Ltd.	Tomoe Valve Co., Ltd. (50%)	86.10	86	50	13(1)	Manufacture and sales of butterfly valves	Saunders Valve Co. (50%)
Tomy U.K. Ltd.	Tomy Industries, Ltd. (100%)	82	82		60(3)	Toys	
Toray Textiles Europe Ltd.	Toray Corporation, Ltd. (100%)	89.03	89	650	432(4)	Manufacture and sales of synthetic long-fiber textiles	
Toshiba Cambridge Research Center	Toshiba, Inc. (100%)	91.01	91.01	60	10(1)	Research on semiconductor basic physics	
Toshiba Consumer Products (U.K.) Ltd.	UK Toshiba, Inc. (100%)	81.04	81.05	1,700	696(5)	Manufacture of color TVs and industrial air-conditioners	
Toyo Information Systems, U.K. Ltd.	Toyo Information Systems, Inc. (100%)	90		120	4(4)	Development of software	
Toyota Motor Corporation	Toyota Motors, Ltd.					Cars	
Toyota Motor Manufacturing (UK) Limited	Toyota Motors, Ltd. (100%)	89	Anti-92 cipated		1,900(60)	Manufacture of automotive and vehicular engines	
Triefus U.K. Ltd.	Asahi Diamond Industries, Ltd. (28.3%)	84		242		Manufacture and sales of diamond tools	
Tsuda Co. (U.K.), Ltd.	Tsuda Plastic Industries, Ltd. (100%)	88.03	88	200	170(8)	Manufacture of plastic parts for electric equipment	
UB Meiji (Europe) Ltd.	Meiji Seika, Ltd.	83.12	84.01	5		Manufacture and sales of candies	
UK-NSI Co., Ltd.	Nihon Seiki, Ltd. (100%)	87	88	725	116(8)	Manufacture and sales of automotive instruments and sensors	
United Precision Industries Ltd.	Nihon Seiko, Ltd.	87.12	87.12	1,600	4,094(0)	Bearings	
Varelco, Ltd.	Kyocera, Ltd. (Elco Corporation) (100%)	62		100	242	Connector business	
Virgin Music Group	Fuji Sankei Group Sony Canyon (50%), Fuji Television (37.5%), and Nippon Broadcast Co. (12.5%)	89.1				Manufacture of records	
Wolly Mil Co Ltd.	Fujii Wool Fabric Co.					Wool fabrics	Woolmill Co.
YKK (U.K.) Ltd.	Yoshida Industries, Ltd. (100%)	66	72	100	301(16)	Manufacture and sales of fasteners	
Yamaha R&D Center	Yamaha, Ltd.					R&D	

[continuation of list]

United Kingdom (8)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in ¥10,000)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Yamanouchi Research Institute (U.K.)	Yamanouchi Pharmaceuticals, Ltd.					R&D on new drugs (major research items: cell biology)	
Yamanouchi U.K. Ltd.	Yamanouchi Pharmaceuticals, Ltd. (100%)	90				R&D on medical drugs	
Yamazaki Machinery U.K. Ltd.	Yamazaki Mazak, Ltd. (100%)	80	87	300	260(9)	Installation of machining centers and NC facilities	
Yuasa Battery (U.K.) Ltd.	Yuasa Batteries, Ltd. (100%)	81.05	82.10	300	470(6)	Hermetically sealed lead batteries	
Yuken (U.K.) Ltd.	Yuken Industries, Ltd. (100%)	80	80	30	8(1)	Manufacture and sales of pneumatic equipment	
Zeon Chemical Europe Ltd.	Nippon Xeon, Ltd.	89.04	89	500	72(4)	Manufacture and sales of acrylnitrilbutadiene rubber	
ラヂエタリー Radiators Ltd.	Calsonic, Ltd. (100%)	19	19	119	1,052(2)	Manufacture and sales of radiator heating units	
	Takagi Tokushu Industries, Ltd.					Plating systems	Nippon Denso, Ltd.
	Norman High Co.	90.08				Heat exchangers	

France (1)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Francs)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
AMANN VINS S.A.	Kikkoman Co., Ltd. (20%)		91.01 Joint management since Jan 91	2,000		Wine brewing and bottling	
AVX S.A.	Kyocera, Ltd.	83.03		3,100	100	Manufacture and sales of electronic parts	
Akai Electric France S.A.	Akai Electric Co. (81.33%) Mitsubishi Electric Co. (15%)	81.08	81.08	2,160	559(10)	Manufacture of audio equipment and VCRs	One individual (3.67%)
Alcan Toyo Europe	Toyo Aluminum Co., Ltd. (80%)	82.07	82.07	3,000	103(2)	Manufacture and sales of aluminum paste	Aluminium Alcan de France (20%)
Allia	Toto Kiki (25%)	85.05	1892	17,750	2,400(2)	Sanitary porcelain	Finland Sanitex (75%)
Alpine Electronics France S.A.R.L	Alpine (49%) Schneider Co. (51%)	90.05		860	300(1)	Manufacture and sales of auto audio equipment	Schneider Co. (51%)
Amada S.A.	Amada, Inc. (76.6%) Amada Sonoike, Inc. (10.6%), Amda Metlex, Inc. (10.6%), Amada GmbH (Germany) (2.2%)	86.09	58	6,718	320(2)	Manufacture and sales of press brakes, shearing machines, and punching machies	
Ammann-Yanmar S.A.	Yanmar Diesel (50%)		89.10	1,000	32(1)	Manufacture and sales of small shovels	Ammann (50%)
B.M.I.	Meiji Confectionery Co., Ltd. (50%)	89.02	89.02	50	3	Foods	
Barudan Cornely S.A.	Barudan, Inc.	89	89	1,320	90(5)	Manufacture of electronic embroidery machine	
Beaute Prestige International S.A.	Shiseido, Inc.	91.01				Development of perfumes and cosmetics	
Canon Bretagne S.A.	Canon Co., Ltd. (87.3%) Canon S.A. Geneva (12.7%)	83.08	83	17,000	493(0)	Copiers, electronic typewriters, and fax machines	
Canon Information Systems R&D Europa	Canon Co., Ltd.					R&D	
Carita S.A.	Shiseido, Inc. (100%)	86		11,100		Contractual production of cosmetics	

[continuation of list]

France (2)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 francs)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Ceca Alteco S.A.	Alpha Giken, Inc. (50%)	84		600		Adhesives	CECA S.A. (50%)
Chateau Beaumont	Suntory Co., Ltd.					Wines	
Chateau Bligny	Suntory Co., Ltd.					Wines	
Chateau Citran	Toko House Co., Ltd. (100%)	87	87	4,000	38(2)	Manufacture and sales of wines	
Chateau Lacaze	Dainihon Real Estate (100%)	87		2,600	10	Manufacture and sales of wines	
Chateau Lagrange S.A.R.L.	Suntory Co., Ltd. (100%)	83	89	12,950	67(1)	Manufacture and sales of wines	
Chateau Reysson S.A.R.L.	Merchant Co., Ltd. (100%)	88	88	1,320	12(0)	Manufacture and sales of wines	
Clarion France S.A.	Clarion, Inc. (95%)	83.08	84	2,028	209(3)	Manufacture and sales of car stereo equipment	
Comaboko S.A.	Marubeni (17.5%) Hoko Suisan (17.5%)	90.07	91.03	700	36(0)	Manufacture and sales of processed foods (crab kamaboko)	(Comapetu) (65%)
Compagnie Europeene des Encres S.A. ("C2E")	Dainihon Ink Chemical Industries, Ltd.					Ink	
Compagnie Europeenne Pour La Fabrication D'Enceintes A Micro-Ondes S.A.R.L. (CEFEMO)	Toshiba, Inc. (33.3%)	86.10	87.09	2,500	225(2)	Manufacture of electronic ranges	Thomson (33.3%), AEG Haus erate AG. (33.3%)
Compagnie Generale Horlogere	Hattori Seiko (99.5%)	86	83	11,204	260(0)	Manufacture and sales of watches	
Cromsys S.A.	Dainihon Ink Chemical Industries, Ltd. (80%)			3,813		Manufacture and sales of printing materials	
Daiichi Sanofi	Daiichi Pharmaceuticals	89.12		100		Medical drugs	Sanofi (49%)
Domaine de Fontseche	Nikka Whiskey Co., Ltd. (75%)	90.01	90	10	4(0)	Whiskeys	
Domaine de Real d'Or	Sadoya (100%)	89.06				Wineries	
Dunlop France S.A.	Sumitomo Rubber Industries, Ltd. (100%)	84	84	17,140	2,740(6)	Manufacture and sales of tires, beds, car seats, sporting goods, and precision rubber components	
Dunlop Roues Seri	Sumitomo Rubber Industries, Ltd. (Dunlop France S.A.) (100%)	84.07	84.07	1,500	280	Manufacture and sales of automotive wheels	
EURISA	I.S.I. (50%)			20		Computers	(Cedasis) Co. (50%)
Encres Dresse S.A.R.L.	Dainihon Ink Chemical Industries, Ltd. (100%)			2		Manufacture and sales of printing ink	
Epson Engineering France S.A.	ETS (a Swiss corporation of Seiko Epson) (99%)	83.11	85	1,900	130(4)	Manufacture and sales of terminal printers	Six individuals (1%)
Epson France	Seiko Epson, Ltd.					Manufacture of printers	
Ernault-Toyoda S.A.	Toyoda Koki Co., Ltd. (50%) and Toyoda Tsusho (8%)	85.04	85.04	20,000	420(7)	Manufacture of sales of lathes and machining centers (MC)	Schneider S.A. (22%), Sofirind (20%)
Eschem S.A.	Dainihon Ink Chemical Industries, Ltd. (100%)					Manufacture and sales of adhesives	
Euro Pentel S.A.	Pentel Co., Ltd. (100%)	66	66	500	50(6)	Manufacture and sales of aquatic oil pressure ball pens	
Eurocel	Mitsui Metals and Mining Co., Ltd. (35%)	85.12	87	9,600	100(2)	Manufacture and sales of electrolytic copper foils for printed circuit boards	
Eurolysine S.A.	Ajinomoto Co., Ltd. (50%)	74	76	15,360	210(1)	Manufacture and sales of cattle food additives (lisyne and (slenion)	ORSAN (50%)
Filter Media S.A.	Hosokawa Micron Co., Ltd.	89.04	89.04	250		Manufacture of air pollution prevention equipment	
Filtex Criswell S.A.	Hosokawa Micron Co., Ltd.	89.04	76	200	45(0)	Industrial filter cloth	
Firestone France S.A.	Bridgestone, Inc. (100%)	88	88	27,200	1,808(2)	Manufacture and sales of tires	
Furukawa Equipement S.A.	Furukawa Machines and Metals Co., Ltd. (100%)	89.10		2,500	221(1)	Manufacture of oil pressure excavators	

[continuation of list]

France (3)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Francs)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
General Biscuit Glico France	Ezaki Glico Co., Ltd. (50%)	82.03	82.03	1,000	50(1)	Manufacture and sales of candies	Generale Biscuit (50%)
Georget S.A.	Dainihon Ink Chemical Industries, Ltd. (35%)			3,000		Manufacture and sales of ink for printing machines	Ripolin (a subsidiary of Orchem) (65%)
Giga Instrumentation S.A.	Advantest, Inc. (95.7%)	76	76	2,717	87(2)	Manufacture, sales, and development of electronic instruments	(Banexy) Group, an investment bank under the Paris National Bank (5%)
Glastron S.A.	Nihon Sheet Glass Co., Ltd. (50%)	88.03 Capital participation in Jun 1990		2,800	50(1)	Electrically conductive glass for LCDs	Saint-Vitrage (50%)
Grands Millesimes de France	Suntory Co., Ltd. (40%)	88	88	674,102	115(0)	Manufacture and sales of wines	Garantie Mutuelle Fonctionaires (60%)
Hattori Seiko Paris S.A.	Hattori Seiko, Inc.(100%)	73	73	50	20(0)	Manufacture of precision machines	
Honda France Industries S.A.	Honda Giken Industries, Ltd. (Honda Francre) (100%)	85	86	5,000	110(4)	Manufacture of walking type lawnmowers and soil tillers	
Hosokawa Micron Europe Filtex Company	Hosokawa Micron Co., Ltd.					Manufacture of dust collectors	
Institvt. Minoru de Recherche Avancee. S.A. (IMRA)	Aisin Seiki Co., Ltd. (66%)	86	86	1,000	12(8)	R&D on energy conversion technology	Societe Lyonaise Bank (34%)
Iris Instrument S.A.	Ohyo Chishitsu (49%)	90	91	1,600	25(0)	Manufacture and sales of geological survey equipment	Geological Survey Office of French Ministry of Industry(51%)
Itoh Denki Europe S.A.	Itoh Electric Co. (49%)	87.1		120	4(0)	Manufacture of belt conveyor motors	Somfy International (51%)
Itokin France S.A.	Itokin & Co., Ltd.	81	84	2,500	36(3)	Manufacture and sales of clothing	
J.S.T. France S.A.	J.S.T. Trading Co., Ltd. (100%)	87.12	89	5,000	21(4)	Manufacture and sales of connectors	
J2T Video Tonnerre S.A.	Japan Victor, Ltd. (50%)	87	87	4,700	660(0)	VTR	Thomson (Telefunken) (50%)
JVC Manufacturing France S.A.	Japan Victor, Ltd. (85%) JVC Audio France S.A. (15%)	89	88	4,500	250(6)	Manufacture of audio equipment, such as MIDI centers	
Kanebo France S.A.	Kanebo, Ltd. (100%)	90.12		25	3(2)	R&D for fibers	
Komori Chambon S.A.	Komori Corporation (100%)	89.01	89	5,000	418(7)	Manufacture and sales of printing machines for paper equipment	
Kyocera Manufacuturing France S.A.	Kyocera, Ltd. (100%)	90.12		1,000	5(2)	Laser beam printers	
Laboratoires Radiatex S.A.	Sagami Rubber Industries, Ltd. (100%)	38.03	59.04	25	49(3)	Manufacture and sales of sanitary skins	
Laboratoires Takeda S.A.	Takeda Pharmaceutical Industries, Ltd. (50%)	78.09		1,400		Contract manufacture of medical drugs	Roussel Uclaf (50%)
Lecoanet Hemant Pret-a-porter S.A.	Sanei International (45%) Mayball (4%)					High-priced women's dresses	Lecoanet Hemant horticulture (51%)
Louis Royer S.A.	Suntory, Ltd. (99%)	65	65	135	40(0)	Manufacture of cognac and brandy	
M.B.K. Industrie	Yamaha Engine and Co., Ltd. (79.3%), Yamaha Motor Europe N.V.(19.6%)	84	61	26,500	1,305(13)	Manufacture and sales of engines for motorized bicycles, bicycles, and outboard motors	Picardie Investissement (1%)
MEGATHERM S.A.	Daikin Europe N.V. (19.6%)	64	64	60	100(3)	Air-conditioning and heating equipment	
Mev Industrie, S.A.	Sumitomo Heavy Machinery Industries, Ltd. (51%)	89.10		612		Manufacture and sales of electron beam irradiation equipment	(49%)
Minolta Lorraine S.A.	Minolta Camera Co., Ltd. (100%)	90.02 Within 1 yr	91			OA equipment	

[continuation of list]

France (4)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Francs)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Mitsubishi Electric France S.A.	Mitsubishi Electric Co., Ltd. (100%)	89.01	91	7,577	221(6)	Manufacture and sales of car phones	
Mitsui Seiki Europe S.A.	Mitsui Seiki Industries, Ltd. (100%)	75	87	466	57(11)	Manufacture and sales of CNC machine-tools	
Mori Seiki Seisakusho	Mori Seiki Manufacturing Co., Ltd. (100%)	88.11				R&D on machine tools	
NGK Berylco France	Nihon Gaishi Co., Ltd. (100%)	86	71	1,150	95(0)	Manufacture and sales of copper conductors	
NGK Spark Plug Industries Europe	Nihon Tokushu Togyo Co., Ltd.					Sparkplugs for autos	
Nomura Shimada Design Studio	JUNKO SHIMADA					Fabrics	
Nordic S.A.	Dainihon Ink Chemical Industries, Ltd. (24%) and others (25%)			420		Manufacture and sales of polypropylene bands for packing	Normetex S.A. (51%)
PU S.A.	Uchiyama Industries (40%)	90.01	90.01	550	33(2)	Gaskets for transportation equipment	Procal (60%)
Panasonic France S.A.	Matsushita Electric Equipment Industries, Ltd. (100%)	87	87	6,000	183(3)	Manufacture and sales of videotape recorders, hi-fi tuners, and video power supplies	
Peugeot Motorcycles S.A.	Honda Giken Industries, Ltd. (25%)	55		4,464	1200(2)	Manufacture, sales, contract production, and R&D of motorcycles	Ecia (75%)
Phone Poulenc RPTanabe S.A.	Tanabe Pharmaceuticals, Ltd. (50%)	87.09		100		R&D on medical drugs	Phone-Poulenc Rorer Inc. (50%)
Pioneer Electronics France S.A.	Pioneer Co., Ltd. (70%)	83.12	85	3,000	85(8)	Manufacture of speaker systems	Musique Diffusion Francaise (30%)
Powerex Europe	Mitsubishi Electric Co., Ltd. (72.85%)	86.01	86.01	3,000	250(0)	Power components	One individual (27.15%)
Presmatic S.A.	C. Itoh Trading Co., Ltd. (40%)	90.11	91.03 Anticipated	400	12	Metal precision press	Model Co. (60%)
Radiatex	SAGAMI GUM						
Ranguen Duchesne S.N.	Sumitomo Rubber Industries, Ltd. (Dunlop France, S.A.) (100%)	84.07	84.07	50	80	Manufacture and sales of couches and beds	
Rhon D.P.C. Europe	Dainihon Pharmaceuticals Co., Ltd. (50%)	89		100		R&D on medical drug and related product development	Rhone Poulenc Rorer (50%)
Ricoh Industrie France S.A.	Ricoh, Inc. (100%)	87	88	14,500	350(19)	Manufacture of copiers and fax machines	
S.D.K. (Sofrador Trio Kenwood)	Kenwood, Inc. (50%)		85	120	49(1)	Manufacture of tuners, CD players, and car stereos	
S.E.I.A. S.N.	Sumitomo Rubber Industries, Ltd. (Dunlop France S.A.) (100%)	84.07	84.07	50	200	Retread tires	
S.T.C.M.S.A.	Mitsui Bussan (18%) Mitsui Co. of France (18%)	88.04		1,212	14(0)	Manufacture and sales of forklift trucks	Group SOFIROM (51%) S.A. Sofirem (13%)
ST PRETEC S.A.	KG Group (90%)	90.09	90.09	1,200	50(4)	Substrates for printed circuit boards	SGS Thomson (10%)
Saint-Germain France S.A.	Tokyu Foods, Inc. (85.7% Saint-Germain Frozen Foods (14.3%)	79	79.09	350	28(4)	Production and sales of breads and pastries	
Sansetsu France S.A.	Sansetsu Express Co., Ltd. (100%)	86	86	197	14(3)	Manufacture and sales of shock absorbing packing materials	
Sharp Manufacturing France S.A.	Sharp Co., Ltd. (100%)	89.05		6,300	0	Copiers and telex machines	
Shiseido France S.A.	Shiseido, Inc.					Production and sales of cosmetics	
Showa France S.A.R.L.	Showa Wires and Cable Co. (100%)	89	89	150	120(6)	Manufacture and sales of wire harness, and heat rollers	
Societe Civile d'Exploitation Domaine de la Lauzade Kiru-Ito	Itoh Ham Co., Ltd. (100%)	87.11	87	1	12(1)	Production and sales of wines	
Societe France Couleurs S.A.	Dainihon Ink Chemical Industries, Ltd. (100%)					Manufacture and sales of printing ink	

[continuation of list]

France (5)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Francs)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Societe Nouvelle Routland S.A.	Dainihon Ink Chemical Industries, Ltd.			1,000		Manufacture and sales of synthetic resins	
Societe de Mecanique D, IRIGNY	Koyo Seiko Co., Ltd. (35%)	67	67	6,000	740(5)	Automotive parts (steering)	Renault (65%)
Societe des Fibres de Carbon S.A. (SOFICAR)	Toray Co., Ltd. (70%)	83	85	1,300	100(2)	Manufacture and sales of carbon fibers	Atochem(30%)
Sony France S.A.	Sony, Ltd. (99.99%)	73.02	80	23,300	1,900(30)	Manufacture and sales of audio cassettes, video cassettes, CD players, and 8-mm videos	
Sovitec	Asahi Glass-Glover Bell Co. (100%)	85		800	20	Glass beads	
Stanley Idess S.A.	Stanley Electric Co.,Ltd. (95%)	88	88.11	25	2(0)	LCD display systems for cars	
Sumitomo Chemical France S.A.	Sumitomo Chemicals, Ltd.	90.08	90.10	700	4(4)	Manufacture and sales of agricultural chemicals	
Swift Adhesifs S.A.	Dainihon Ink Chemical Industries, Ltd.			500		Manufacture and sales of adhesives	
Synthelabo Tanabe Chimie S.A. (Mourenx)	Tanabe Pharmaceuticals, Ltd. (50%)	87.06	90.03	1,000	16(0)	Clinical drugs (calcium-based antigens)	French Synthelabo Co. (50%)
TEC France System S.A.R.L.	Tokyo Electric Power Co., Ltd. (85%)	80.06		400		R&D on application software for goods distribution industries	TEC France S.A. (15%)
Takasago Europe Perfumery Laboratory S.A.R.L.	Takasago International Corporation, Ltd. (100%)	78.10	78.10	4,000	71(2)	Perfume preparation	
Tekmatex	Tekmatex Co.						
Tetras S.A.	Canon Co., Ltd.					Manufacture and sales of copiers	
Three Bond Europe S.A.	Three Bond Inc. (100%)	76	78	500	26(4)	Manufacture and sales of adhesives	
Todenco France	Tokyo Cable Industries, Ltd. (100%)	88	89.02	500	40(4)	Wires and cables	
Tomy France S.A.R.L.	Tomy, Inc. (100%)	85	86.06	115	30(0)	Production and sales of toys	
Toraya France S.A.R.L.	Toroya, Inc. (100%)	80	80	600	2(2)	Production and sales of Japanese sweets	
Toshiba Lighting Products (France) S.A.	Toshiba Litex, Ltd. (100%)	87.06	87	2,200	87(2)	Manufacture and sales of copiers and fax machines	
Toshiba Systemes (France) S.A.	Toshiba, Inc. (68.1%) Toshiba Europe (5%)	86.06	86.10	8,509	593(9)	Manufacture of copiers	Rhone Poulenc S.A. (25.9%)
Treca S.A.	Dunlop France S.A. (a French subsidiary of Sumitomo Rubber Industries, Ltd)	35	35	640	1,100(1)	Bedding	
Triefus France (Applications Industrielles du Diamant)	Asahi Diamond Industries, Ltd. (33.3%)					Manufacture and sales of diamond tools	
Wacoal Francc S.A.	Wacol, Inc. (100%)	90	90	2,550	9(2)	Production of underwear	
Walker et Charhon S.A.	Kakiuchi Co., Ltd. (48%)	87.11		140		Production and sales of men's clothing and women's dresses	Givenchy S.A. (51%)
Yamaha Electronique Alsace S.A.	Yamaha, Ltd. (100%)	89	90	3,900	78(5)	Manufacture of CD players	
Yamazaki France S.A.	Yamazaki Bakeries, Ltd. (100%)	88	88	400	13(1)	Production and sales of prepared foods	
Yamazaki Mazak France S.A.	Yamazaki Mazak Co., Ltd.					Machine tools	
Yoshida France S.A.R.L.	Yoshida Industries, Ltd. (100%)	67	72	2,000	202(9)	Manufacture and sales of slide fasteners	
Yuko Europe S.A.	Yamahiro, Inc. (35%) and (Merbag)-the parent company of Yamahiro (50%)	86.04	86	1,000	40(3)	Manufacture and sales of screws	Sodiest(10%), Lordev(5%)
ルーダン	Dainihon Ink Chemical Industries, Ltd.					Polyester resins	

[continuation of list]

Germany (1)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Marks)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Accurom Plastic & Engineering GmbH	Fuji Seiko, Ltd. (33.3%) Kiken Kogyo (33.3%)	87	87	260	7(2)	Manufacture and sales of plastic forming equipment	Sansetsu GmbH (33.3%)
Aichi Electric GmbH	Aichi Electric Co., Ltd. (71.4%), Nagano Aichi Electric (20%), Sansetsu Warehouse (8.6%)	87	88.05	70	24(8)	Manufacture and sales of high voltage power supplies for copiers and printers, and switching regulators	
Alpine AG	Hosokawa Micron Co., Ltd.	87.11	87.11	500	583(2)	Manufacture and sales of powder equipment and film forming systems	
Alps Electric Europe GmbH	Alps Electric Co., Ltd. (100%)	79.11	88	6,950	250(9)	Manufacture and sales of magnetic heads, tact switches, and LCD displays	
Avansetech GmbH	Nippon Oxygen Co., Ltd. (60%)	90		250		Semiconductor manufacturing related equipment	AGA company in Sweden (40%)
BBS Kraftfahrzeug-technik AG	Ono Group (16.7%)					Automotive aluminum wheels	
BLV Licht-und Vacumtechnik GmbH	Ushio Electric Co., Ltd.					Manufacture and sales of lighting equipment	
BREGAL GmbH	C. Itoh Trading Co., Ltd. (24.95%)	90.11	93 Spring	300		Manufacture of galvanized steel plates	(Kleckner) (50.1%) and (Rautarooki) (24.95%)
BT Magnet Technology	TDK Co.,Ltd. (50%)	91.01		1,000	700	Manufacture and sales of magnetic precision instruments	Robert Bosch (50%)
Bando Chemical Industries (Europe) GmbH	Bando Chemical Industries, Ltd. (100%)	78	87	200	25(1)	Manufacture and sales of copier blades	
Benoac Ferugteile GmbH	Inoue Corporation (25%)	86.10	88.12	300	40(0)	Manufacture and sales of automotive parts	(Arigel) (11%), (Benecke) (51%), (Fibritt) (12%)
Bulthaup GmbH Co.	Toto Equipment Co. (35%)		1949	3,100	570	Sanitary porcelain	One local government (65%)
Canon Giessen GmbH	Canon Co., Ltd. (81%) Canon Europe N.V. (19%)	72	73	2,420	620(22)	Manufacture and sales of copiers and photo sensitive drums	
Citizen Machinery Europe GmbH	Citizen Watch, Ltd.(85%) Marubeni, Ltd. (15%)	86.09	86	100	19(6)	Manufacture and sales of machine-tools	
Citizen Uhrenfabrik GmbH	Citizen Trading Co. (100%)	75		30	44(3)	Manufacture and sales of watches	
Cyclo Getriebebau Lorenz Braren GmbH	Sumitomo Heavy Machiery Industries, Ltd. (90%)	74.06	31	1,400	360(4)	Manufacture and sales of reduction gears	One local individual (10%)
DIC Beteiligungen GmbH Berlin	Dainihon Ink Chemical Industries, Ltd.					R&D on resin polymers	
Denon Consumer Electronic GmbH	Nihon Columbia Co., Ltd. (100%)	88.04	88.10	600	165(6)	Manufacture and sales of audio equipment	
Develop Dr. Eisbein GmbH & Co.	Minolta Camera Co., Ltd. (82%)	48.06	58	700	460(14)	Manufacture and sales of PPC	Develop Dr. Eisbein GmbH (18%)
EDS Engineering GmbH	Yazaki Sogyo Co., Ltd. (100%)	88.06		50	45(10)	Development of auto related equipment	
Faun GmbH	Tadano, Inc. (100%)	90	1845	5,800	470(0)	Manufacture and sales of cranes and vehicles	
Fuji Magnetics GmbH	Fuji Photographic Films, Ltd. (100%)	87	88.06	5,000	161(11)	Manufacture and sales of magnetic tapes	
Fuji Seal GmbH	Fuji Seal Industries, Ltd. (100%)	79.02	79	50	40(1)	Manufacture and sales of plastic wrapping materials and wrapping machines	
Fujitsubo GmbH	Fujitsubo Giken Industries, Ltd. (100%)	87	89	10	12(1)	Manufacture and sales of automotive parts (sports mufflers)	
Funai Electric Europe GmbH	Funai Electric Co., Ltd.	88.09		1,470		Assembly and production of VCRs	
Furukawa GmbH	Furukawa Machinery and Metal Co., Ltd. (100%)	88	88	3,500	275(11)	Manufacture and sales of construction machines	
Gail Aktiengesellschaft	INAX, Inc. (33.3%)	1891	1891	3,000	944(3)	Manufacture and sales of porcelain tiles	Gail Aktiengesellschaft(66.7%)
Goldwell AG	Kao Co., Ltd. (90.13%)	48	48	7,600	200(2)	Manufacture and sales of hair and skin care products used in beaury salons	One individual Hans Erich Dotter (9.87%)
Gould Electronics GmbH	Nihon Kogyo					R&D of electronic materials	

[continuation of list]

Germany (2)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Marks)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Guhl Ikebana GmbH	Kao Co., Ltd. (50%)	86.10	86	500	110(2)	Manufacture and sales of shampoos and rinses	Baiersdorf A.G. (50%)
Hanomag A.G.	Komatsu Manufacturing Co., Ltd. (64.1%)	1835	1835	3,643	1,700(2)	Manufacture and sales of construction machines	
Hartmann Druckfarben GmbH	Dainihon Ink Chemical Industries, Ltd. (100%)			1,270		Manufacture and sales of printing inks	
Heidenreich & Harbeck Werkzeugmaschinen GmbH	Makino Milling Manufacturing Co. (76%)	78.10		400	204(0)	Manufacture and machining centers and EDM machines	Gildemeister AG (24%)
Heinrich Wagner Sinto Maschinenfabrik GmbH	Shinto Industries, Ltd. (91%)	83		400	219(3)	Manufacture and sales of casting machines	Herbert Grolla (9%)
Hitachi Consumer Products (Europe) GmbH	Hitachi Manufacturing Co., Inc. (100%)	82	83	2,000	500(9)	Manufacture and R&D of VCRs and CTVs	
Hitachi Power Tools Europe GmbH	Hitachi Industries, Ltd. (100%)	79	84	1,000	62(6)	Manufacture and sales of electric tools	
Hitachi Semiconductor (Europe) GmbH	Hitachi Manufacturing Co., Inc. (100%)	80		900	250(6)	Manufacture of semiconductor integrated circuits	
Honda R&D Europe GmbH	Honda Technology Laboratory, Inc. (100%)	88		7		R&D on autos and motorcycles	
Hosokawa Mikropul GmbH	Hosokawa Micron Co., Ltd.	85.03	85.03	490	80(0)	Manufacture and sales of powder machines	
Hoya Lens Deutschland GmbH	Hoya, Ltd. (100%)	79.05	79.05	2,080	689(5)	Manufacture and sales of eyeglass lenses	
Human Group	Olympus Optical Industries, Ltd.					Manufacture and sales of diagnostic test drugs	
Integrated Circuit Testing Gesellschaft fur Halbferterpruftechnik GmbH	Advantest, Inc. (38%)	87.11	87.11		40	Manufacture of electron beam testers	
J.S.T. Deutschland GmbH	Nippon Atsuchaku Tanshi (Pressure Terminal) Sales Co. (100%)	84.08	84.08	360	29(0)	Connectors and terminals	
J2T Video (Berlin) GmbH	Nihon Victor Co., Ltd. (50%)	82.05	82	2,400	1,100(1)	Manufacture and sales of VHS deck type VCRs	Thomson Consumer Electronics France (50%)
JVC Magnetics Europe GmbH	Nihon Victor Co., Ltd. (100%)	81.12	83.03	2,000	266(6)	Manufacture of video-tapes	
KANZAN Spezial Papiere GmbH	Kanzaki Paper Co., Ltd. (47.5%), Marubeni (5%)	90.09	91.11 Anti-cipated	10		Production of heat-sensitive papers	Sanders (47.5%)
KB Roller Tech Kopierwalzen GmbH & Co. KG	Kinyosha, Inc. (49.5%)	87	87	700	80(4)	Manufacture and sales of silicon rubber rollers and Teflon rollers for copiers	Felix Bottcher GmbH & Co. (50%)
Kanebo Information Systems GmbH	Kanebo Co., Ltd. (100%)	90.07		50	15(6)	Development of computer software	
Kao Perffkta	Kawo Co., Ltd. (100%)	86	87	200	30(1)	Manufacture and sales of toner for copiers	
Klinge Pharma GmbH	Fujisawa Pharmacenticals Industries, Ltd. (51%), Fujisawa Holland B.V. (23%)	33 Capital participation Mar 1983	33	1,540	1,000(1)	Manufacture and sales of pharmaceuticals	Klinge Pharma (26%)
Konica Business Machines Manufacturing	Konica Co., Ltd. (100%)	87	87	950	150(10)	Manufacture of copiers	
Kubota Baumaschinen GmbH	Kubota, Inc.	88	89	1,600	180(10)	Manufacture of small copier machines	
Kurita Europe GmbH	Kurita Industries (80%), C. Itoh Fine Chemical Co. (20%)	89.01	90.07	150	14(3)	Manufacture of water treatment chemicals	
Loewe Opta GmbH	Matsushita Denki Sangyo Elec. Equip. Ind.) Ltd. (25.1%)	23		4,500	1,500(0)	New products for digital TVs	
Luitpolt-Werk Chem. Pharm. Fabrik GmbH & Co.	Sankyo, Ltd. (74%)	10	44	500	280(0)	Manufacture and sales of drugs	An individual (26%)
M.B. Video GmbH	Matsushita Denki Sangyo (Electric Equipment Industries), Ltd. (65%)	83.02		2,625		Manufacture of home VCRs	Robert Bosch GmbH (35%)
M.S. Relais GmbH	Matsushita Denko (Electric Industries), Ltd. (100%)	74	74	1,000	240(2)	Manufacture of elec-magnetic relays	
Matsushita Business Machine (Europe) GmbH	Matsushita Denki Sangyo (Electric Equipment Industries), Ltd. (100%)	86.09		800	164(8)	Manufacture of copiers	
Matsushita Communication Deutschland GmbH	Matsushita Tsushin Kogyo Ltd. (60%), Matsushita Denki Sangyo, Ltd. (40%)	85.06	85	600	81(2)	Manufacture of auto audio equipment	

[continuation of list]

Germany (3)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Marks)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Matsushita Electric Motor (Europe) GmbH	Matsushita Denki Sangyo, Ltd. (95%)	86.12	87.05	500	93(4)	Manufacture of OA equipment motors	Quick Rotan GmbH (5%)
Matsushita Electronic Components (Europe) GmbH	Matsushita Denshibuhin (Electronic Parts) Co., Ltd. (100%)	84	87	1,800	506(8)	Manufacture and sales of tuners, switching power supplies, and remote controllers for TVs, videos	
Matsushita Video Manufacturing GmbH	Matsushita Denki Sangyo, Ltd. (75%), MB Video, Ltd. (25%)	86.04		2,500	305(9)	Manufacture and sales of VCR mechanisms	
Mazda Motor Corporation Europe R&D Representative Office	Mazda, Ltd. (100%)	87.12				R&D for cars	
Milei GmbH	Morinaga Nyugyo (Dairy Products Industries), Ltd. (26%)	72	75	1,500	100(2)	Production and sales of dairy products	Zud Milch (40%), V.K.D. (26%), Arla Stockholm (8%)
Mitsubishi Electric Europe GmbH, Technology Center	Mitsubishi Electric Co., Ltd. (100%)	89	84	2,800	20(3)	Manufacture and sales of semiconductor devices	
Mitsubishi Motors Europe B.V. R&D Center	Mitsubishi Motors, Ltd. (100%)	89.01	89.01	400	57(30)	Design and R&D centers for autos	
Mitsubishi Semiconductor Europe GmbH	Mitsubishi Electric Co., Ltd. (100%)	89		700		Manufacture of electronic parts	
Murata Electronik GmbH	Murata Manufacturing Co., Inc. (100%)	80	80	4,000	357(7)	Manufacture and sales of hybrid IC ceramic filters	
NEC Electronics (Europe) GmbH, Europe Technology Center	NEC, Ltd. (100%)	73		1,638		Manufacture, sales, and R&D of semiconductors and other electronic parts	
NTN Kugellagerfabrik GmbH	NTN (100%)	71.12	72.12	600	153(6)	Manufacture of bearings	
Neumunstersche Maschinen und Apparatebau GmbH	Murata Machinery, Ltd. (35%)	48.11	42	1,000	341(0)	Chemical fiber machines	Babcock-BSHAG (65%)
Nikkiso Deutschland GmbH	Nikkiso Co., Ltd. (100%)	73.10	73.10	300	9(3)	Manufacture and sales of precision specialty pumps	
Nutrichem Diaet Phama GmbH	S.S. Pharmaceuticals Ltd.	89	89	300		Pharmaceuticals	
Olympus Winter & Ibe GmbH	Olympus Optical Industries, Ltd. (70%)	79.01		300	190(0)	Medical equipment (endoscope)	Two individuals (30%)
Otsuka Pharmaceutical Reserch Office	Otsuka Pharmaceuticals, Ltd.	82			13(1)	R&D on medical drugs	
Otto Benninghoven GmbH & Co. KG	Nikko Co., Ltd. (30%)	12	90.12	600	200(0)	Exchange of manufacturing technology, information for construction machines, and development of their own products	
PHOENIX Electric Deutschland GmbH	Phoenix Electric Co., Ltd. (100%)	90.11	90	5		Manufacture of halogen lamps	
Plaubel GmbH	Doi, Inc. (100%)	75.05		600	12(2)	Manufacture and sales of view cameras and camera stands	
Polychrome GmbH	Dainihon Ink Chemical Industries, Ltd. (100%)			2,500		Manufacture and sales of printing materials	
ROTA Yokogawa GmbH	Yokogawa Electric Co., Ltd.	05	05	750	200(0)	Manufacture and sales of flow metersand pharmaceutical machines	One local individual and other companies(66.7%)
Rath Advanced Materials GmbH	Denki Kagaku Industries, Ltd. (30%)	89	91	400	20(0)	Manufacture of alumina fibers	Rath(70%)
Rational Einbaukuechen GmbH	Kikuya					System kitchens	
Ricoh Deutshland GmbH EFDC (Europian Facsimil Design Center)	Ricoh, Inc.	86		1,000	8(3)	R&D on fax machines	
Ruetgers Kureha Solvents GmbH (Kureha Chemicals GmbH)	Kureha Chemicals, Inc. (100%)	83.06	83.06	10	7(4)	Manufacture and sales of chemicals for paper making	
SHARP Electronics (Europe) GmbH	Sharp, Ltd.					Electromagnetic Environmental Laboratory (R&D)	

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Germany (4)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Marks)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
SMC Pneumatik GmbH	SMC, Ltd. (100%)	78	84	1,280	55(0)	Manufacture and sales of pneumatic cylinders	
SP Reifenwerke GmbH	Sumitomo Rubber Industries, Ltd. (Sumitomo Rubber Europe B.V.) (50.5%), Sumitomo Elec. Indus.(10%), Sumitomo Shoji, Ltd.(10%) et al.	84.03	85.01	7,500	3,500(4)	Manufacture and sales of tire tubes	
Sachs-Dolmar GmbH	Makita, Inc.	27	27	2,200	350(4)	Manufacture and sales of chain saws and garden tools	
Sansetsu Lagerung GmbH	Sansetu Express, Ltd. (90%), Sansetu UK Ltd. (10%)	73	75	80	30(6)	Manufacture and sales of shock-absorbing type packing materials	
Sanyo Industries Deutschland GmbH	Sanyo Electric Co., Ltd. (77.78%), Sanyo Electric Trading Co., Ltd.(22.2%)	84	84	1,350	430(7)	Manufacturing of VCRs	
Sedo Chemicals Deutschland GmbH	Sedo Chemicals (49%)	83.01	85.04	1,080	7(0)	Manufacture of wetsuits	Aguata GmbH(51%)
Seikosha GmbH - Produktion Neumunster	Seikosha (100%)	86.08	86.11	700	44(5)	Manufacture and sales of printers	
Shalco Systems Maschinen und Service GmbH	Shito Industries, Ltd.					Core forming machines for casting	
Shibamoto & Co.,GmbH	Shibamoto & Co. (100%)	75	75	40	3(2)	Manufacture and sales of packing machines	
Shimazu Europa GmbH	Shimazu Manufacturing Co. Inc. (100%)	68	87	27,000	27(4)	Manufacture, sales, and R&D of analyzers for clinics	
Shintom Electronic Deutschland GmbH	Shintom Co., Ltd.					Manufacture of video recorders	
Siemens Matsushita Components GmbH & Co. KG.	Matsushita Electric Equip. Industries, Ltd.(25%), Matsushita Elec.Parts Co.(25%)	89		10,000	5,170(2)	Manufacture of capacitors and ceramic parts	Siemens AG(50%)
Simflex	Nihon Mektron (40%)					Flexible circuit boards	
Simrax GmbH	NOK and Co., Ltd. (40%)	76.12	76	120	26(1)	Manufacture and sales of mechanical seals	Carl Frendenberg & Co. (60%)
Sony-wega Produktion GmbH	Sony, Ltd. (100%)	75	75	2,150	500(6)	Manufacture of color TVs and audio speakers	
Sumitomo Electric Schrumpf Producte GmbH	Sumitomo Electric Industries	91.01	91.09	300	10(1)	Thermal shrink fit tubes (to be used for protecting ends of electric cables)	
Sumitomo Electric Hartmetallfabrik GmbH	Sumitomo Electric Industries (100%)	89	89	500	75(3)	Manufacture of super-hard tools	
Synthomer Chemie GmbH	Dainihon Ink Chemical Industries, Ltd.			500		Manufacture of latex for carpet, textiles, papers and adhesives	
TDK Manufacturing Deutschland GmbH	TDK Co., Ltd. (100%)	85	85	1,750	244(7)	Manufacture of electronic parts and recording medium	
TEC Electronic Werk GmbH	Tokyo Electric Co., Ltd. (100%)	86	86	1,278	114(5)	Manufacture of printers	
Takeda Chemical Industries Ltd. Frankfurt Representative Office Europe Research and Development Centre	Takeda Pharmaceuticals, Ltd.	88				R&D on pharmaceuticals	
Takeda Pharma GmbH	Takeda Pharmaceuticals, Ltd. (50%)	81.12	81.12	1,000	71(2)	Production and sales of pharmaceuticals	Grunenthal GmbH (50%)
Takisawa Deutschland GmbH	Takisawa Ironworks, Inc.	91.01	Anticipated 91.05	350	10(10)	Technical Center for R&D of machine-tools	
Tokai Seiki GmbH	Tokai, Inc. (100%)	82	83	3,600	130(2)	Manufacture and sales of disposable lighters	
Toshiba Consumer Products (Germany) GmbH	Toshiba, Inc. (100%)	90.04	87.03	4,995	424(11)	Manufacture of VCRs	
Toshiba Europe GmbH	Toshiba, Inc. (100%)	69.03	69.03	6,570	215(24)	Production of personal lap-top computers	
Toshiba Semiconductor GmbH	Toshiba Electronics Europe, Inc. (100%)	82.12	82.12	1,500	184(6)	Manufacture of memory units and CMOs logics	

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Germany (5)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Marks)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Toshiba Tungaloy (Europe) GmbH	Toshiga Tungalloy (100%)	85.09	85.09	340	16(1)	Cutting tools	
Toyocom GmbH	Toyo Telecommunication Equipment Co.,Ltd.(90.1%)	75.03	75.03	450	4(1)	Manufacture and sales of synthetic crystals	Frank and Schulte (9.9%)
Union Special GmbH	Juki, Ltd. (100%)	01.01			543(0)	Manufacture and sales of industrial sewing machines	
VDO Adorf Schindking AG	Optlecs			500		Liquid crystal display devices (production of LCDs)	VDO Adorf Schindking AG
Wako Chemicals GmbH	Wako Junyaku (100%)	74.06	83.11	120	19(4)	Pharmaceuticals	
Weingut Reichsrat Von Buhl	St. Michael Wines and Spirits Co., Ltd.(87.5%) Sanyo Electric Trading Co., Ltd. (12.5%)	89	89	200	12(1)	Production and sales of wines	
Weingut Robert weil KG	Suntory Co., Ltd.					Production of wines	
Wilhelm Schimmel Pianofortefabrik GmbH	Yamaha Co., Ltd. (24.9%)	1885	74	750	480(0)	Manufacture and sales of pianos	
Yoshida (Deutschland) GmbH	Yoshida Industries, Ltd. (97%),Yoshida Netherland) B.V. (a subsidiary of Yoshida Industries) (3%)	67	72	1,000	186(7)	Manufacture and sales of fasteners	

The Netherlands (1)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Guilder)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Biemans Industries B.V.	Jacom Corporation Inc. (28.46%), Sumitomo Shoji, Ltd. (12.59%), Sumitomo Shoji Europe (12.5%)	73	84	324	86(0)	Manufacture of sales of interior decor or aircraft, such as galleys	K L M (46.54%)
Brocades Pharma B.V.	Yamauchi Pharmaceuticals, Ltd.					Pharmaceuticals	
Calsonic Exhaust Systems B.V.	Calsonic Co., Ltd. (100%)	84	85	300	27(0)	Manufacture of car mufflers	
Delamine B.V.	Toso Co., Ltd. (50%)	76	78	2,600	43(0)	Manufacture and sales of ethylenamine	Akzo Salt and Basic Chemical B.V. (50%)
Dresse Drukinkten B.V.	Dainihon Ink Chemicals Industries, Ltd.					Printing ink	
Dyneema Vof	Toyo Boseki (spinning) Co., Ltd.					Manufacture and sales of polyethylene fibers	
ETI Precision B.V.	Nitto Industries, Ltd. (100%)	88.04	88	200	93(6)	Manufacture and sales of copier rollers	
Eslon B.V.	Sekisui Chemical Industries, Ltd. (100%)	75	75	80	28(1)	Manufacture and sales of vinyl chloride pipes	
Europe Koyo B.V.	Koyo Seiko, Ltd. (100%)	73.03	73.03	1,300	40(3)	Manufacture and sales of bearings	
Fuji Photo Film B.V.	Fuji Photo Film Co.,Ltd. (100%)	82	82	24,400	1,060(60)	Manufacture and sales of photosensitive materials	
Hartmann International B.V.	Dainihon Ink Chemical Industries, Ltd.			25		Manufacture and sales of printing inks	
Hitachi Construction Machinery (Europe) B.V.	Hitachi Construction Co., Ltd. (95%), Kitagoshi Industries, Ltd. (5%)	72		632	134(6)	Manufacture and sales of hydraulic shovels	
Hokusin Europe B.V.	Hokushin Industries,Ltd. (80%), Sumitomo Shoji, Ltd. (20%)	87	88	220	37(2)	Manufacture and sales of cleaning blades and platen rollers	
Holland Sweetener Company VOF	Toso Co., Ltd. (50%)	85	88	11,600	78(2)	Manufacture and sales of aspartame	DSM(50%)
Hosokawa Micron International B.V.	Hosokawa Micron Co., Ltd. (100%)	83		150	220(3)	Manufacture and sales of powder processing systems	

[continuation of list]

The Netherlands (2)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Guilder)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Hoya Europe B.V.	Hoya Co., Ltd. (100%)	89.06	89.06	970	29(10)	Manufacture and sales of eyeglass lenses	
Krehalon Industrie B.V.	Kureha Chemical Industries, Ltd. (87.5%) and Mitsui Bussan Co. (12.5%)	73	73	600	240(3)	Manufacture and sales of food wrapping materials (synthetic resins)	
Kuron Europe B.V.	Kuron Co., Ltd. (100%)	89	91	230	6(0)	Manufacture and sales of remote controllers, and assembly of printed substrates	
MCMC Corrugating Machinery Company Holland BV	Mitsubishi Heavy Industries, USA, Ltd. (70%), Mitsui Bussan USA (20%), Mitsui Bussan Co.Ltd.(10%)	87	87	20	27(2)	Manufacture and sales of paper processing machines (cardboard box sheet manufacturing machine)	
MHI Equipment Europe	Mitsubishi Heavy Industries,Ltd.	80.07 Acquisition	91 Anticipated	700		Passenger car turbochargers	
Maas Glas B.V.	Asahi Glass Co., Ltd. (40%)	37	63	5,000	650(0)	Manufacture and sales of sheet glass	Glaverbel S.A. (J/V supported by Asahi Glass 75% of capital)
Metablen Company BV	Mitsubishi Rayon Co., Ltd.	89.06	91.01	2,500		Manufacture and sales of (metablen) (an additive for vinyl cloride)	Atochem(50%)
Mitsutoyo Nederland B.V.	Mitsutoyo Co., Inc.(100%)	88	88	1,150	19(6)	Precision instruments	
Namascor B.V.	Mitsubishi Shoji Co., Ltd. (10%)	73.06	73	1,330	70(0)	Manufacture and sales of iron and steel products	Finsider (Italy) (30%), Hoogovens (The Netherlands) (30%), Klockner (Germany) (30%)
Nefel B.V.	Hoshika Industries, Ltd. (80%), Sanmei Shoji Co., Ltd. (20%)	89	89	30	29(3)	Manufacture and sales of copier parts	
Omron Manufacturing of The Netherlands B.V.	Omron Electronics Europe B.V. (100%)	89.01	89	1,500	100(4)	Manufacture of FA controllers	
Plalloy NTD B.V.	Mitsui Bussan and Co., Group (75%), Dainichi Seika Industries, Ltd. (25%)	89.05	90	500	25(3)	Manufacture and sales of synthetic resin compounds	
Sekisui Alveo B.V.	Sekisui Chemical Industries, Ltd. (100%)	73	74	300	187(1)	Manufacture of expanded polyolefin	
Sekisui Jushi B.V.	Sekisui Jushi Co., Ltd. (100%)	74	74	260	50(3)	Manufacture and sales of packing straps	
Shin-Etsu Polymer Netherland B.V.	Shin-Etsu Polymer Co., Ltd. (100%)	88.06	88	20	70(3)	Manufacture of switches made of silicon rubber (electronic parts)	
Shin-Etsu Silicones Europe B.V.	Shin-Etsu Chemical Industries, Ltd. (100%)	89	90.09	283	7(3)	Manufacture and sales of silicon resins	
Tokyo Electric Europe B.V.	Tokyo Electric Co., Ltd. (100%)					Manufacture and sales of material handling equip.	
Ushio Europe B.V.	Ushio Electric Co., Ltd. (100%)	83	87	570	83(5)	Manufacture and sales of halogen lamps	
Yamada Europe B.V.	Yamada Yuki Manufacturing Co., Ltd. (86%)	85.12	86.06	75	10(1)	Manufacturing of diaphragm pumps	(Heson) Netherlands (14%)
Yokogawa Electrofact B.V.	Yokogawa Electric Co., Ltd. (100%)	82	82	1,030	83(0)	Manufacture and sales of pH meters, electric conductivity meters, recording systems, and analyzers	
Yoshida (Nederland) B.V.	Yoshida Industries, Ltd. (100%)	64	64	360	43(3)	Manufacture and sales of slide fasteners	

[continuation of list]

Belgium (1)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Belgium francs)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
AW Europe S.A.	Aishin AW	90.11	Anti- 93 cipated	30,000		Automatic speed controllers	
Amano Electric Europe, N.V.	Amano Co., Ltd. (67%)	88.06		7,000	55(44)	Manufacture of time recorders and information equipment	
CMK Europe N.V.	Nihon CMK, Ltd. (55%), Kanegafuchi Chemical Industries, Ltd. (35%), Sumitomo Bakelite (10%)	87.02	88	50,000	131(9)	Manufacture and sales of civilian use printed circuit board substrates	
Daikin Europe N.V.	Daikin Industries, Ltd. (100%)	72	73	10,000	165(8)	Manufacture and sales of general industrial air-conditioners	
Daitube S.A.	Yamato Steel Pipe Industries, Ltd. (100%)	83.08	84.11	5,000	49(6)	Manufacture and sales of (cuns-pipe)	
Dukan Belgium S.A.-N.V.	Kanegafuchi Chemical Industries, Ltd. (50%)	90.09		2,000		Acrylic silicon	DuPont Co.(50%)
Eurogenetics N.V. S.A.	Toso Co., Ltd. (50%)	84.06	84.06	18,882	20(1)	Biochemical products	(Arinbest) and an individual stockholder(50%)
G-C International Corp. European Branch	G-C International, Inc. (100%)	71	88		3(1)	Manufacture and sales of dental fillers	
Glaverbel S.A.	Asahi Glass Co., Ltd. (75.1%)	61	1888	440,920	2,220(0)	Manufacture and sales of sheet glass (float glass, laminated glass and mirrors)	S.R.I.W. (2.2%), GIMV(1.1%), and general stockholders (21.6%)
Hishi Plastics Europe S.A.	Mitsubishi Jushi, Ltd. (51%), and Mitsubishi Shoji, Ltd. (49%)	82	83	5,000	36(3)	Manufacture and sales of vinylchloride products (thermal contraction tubes)	
Honda Belgium N.V.	Hoda Giken Industries, Ltd. (100%)	63	63	50,000	300(2)	Manufacture and sales of parts for two- and four-wheeled vehicles	
J·S·T. Europe N.V.	JST Trading Co., Ltd. (100%)	77.08	78	13,200	28(3)	Manufacture and sales of terminals and connectors	
Kaneka Belgium N.V.	Kanegafuchi Chemical Industries, Ltd. (90%), Mitsu Bussan Co.Ltd.(10%)	70	73	50,000	161(4)	Manufacture and sales of MBS resins and drug intermediates	
Muto Belgium N.V.	Muto Industries, Ltd.	90.09		7,000		Manufacture of information processing equipment	
N.V. Chiyoda Europa S.A.	Chiyoda Grabia Printing Co., Inc. (100%)	86	86	10,254	100(1)	Printing of dressing papers	
NGK Baudour S.A.	Nihon Gaishi Co., Ltd. (75.1%)	77.03	77.03	71,000	110(5)	Manufacture of insulators	
NGK Ceramics Europe S.A.	Nihon Gaishi Co., Ltd. (NGK Baudoor S.A.)	88.01	88.01	83,000	90(8)	Honeycomb ceramics for exhaust gas purification	SR I W(40%)
Nitto Belgium N.V.	Nitto Denko Co., Ltd. (100%)	74	75	25,000	320(2)	Manufacture and sales of industrial adhesive tapes and electrical insulation tapes	
Parker Industries of Europe	Nihon Parkerizing (Parker Kogyo (60%), Parker Engineering (20%), and Parker (Arrester) (20%))	89.04	92	2,500		Manufacture of rust inhibiting oils	
Philips Matsushita Battery Corp N.V.	Matsushita Electric Industries, Ltd. (50%)	70	70	10,000	340(1)	Manufacture and sales of dry cells	Philips Gloeilampen Fabrieken (50%)
Pioneer Electronics Mfg. N.V.	Pioneer Co., Ltd. (100%)	74.12	76	8,000	380(7)	Manufacture and sales of car stereos and hi-fi tuners	
Rotary Nozzle International S.A.	Nihon Kokan Co., Ltd. (25%), TYK (20%), and Nihon Rotary Nozzles (5%)	76.11	76.11	8,000	28(1)	Manufacture and sales of fire-resistant materials	Nepwerth Refractories(Bergium) S.A. (50%)
S.A. Omnichem N.V.	Ajinomoto Co., Ltd.	79	Acqui- 89 sition	67,573	350	Manufacture of pharmaceuticals and agricultural chemicals	
Splintex S.A.	Asahi Glass Co., Ltd. (46%)					Automotive glass	
Sun Chemical N.V./S.A.	Dainihon Ink Chemical Industries, Ltd.					Printing inks	
TCM Europe S.A.	Toyo Unyu (Transportation Kiki Co., Ltd. (100%)	90.05	90.06	2,000	5(3)	Forklifs	
Tanabe Europe S.A.	Tanabe Pharmaceutical Co., Ltd. (100%)	88				R&D on drugs	
Terumo Europe S.A.	Terumo Co., Ltd. (100%)	71	76	133,000	550(6)	Manufacture and sales of medical equipment	
Toyota Motor Corporation	Toyota Motors (100%)	89				Design centers for cars	

[continuation of list]

Belgium (2)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Belgian franc)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
UCB-JSR Electronics S.A.	Nihon Synthetic Rubbers (50%)	86	86	40,000	25(1)	Photoresist	UCB S.A. (50%)
Visol, S.A.	Dainihon Ink Chemical Industries, Ltd.			125		Manufacture and sales of printing inks	
Yamauchi Corporation N.V.	Yamauchi Co., Ltd. (100%)	88	88	5,000	54(2)	Manufacture of components for VCRs and audio equipment	
Yamazaki Mazak Europe N.V.	Yamazaki Mazak Co., Ltd.					Machine-tools	
Yamazaki Nissho Iwai Europe N.V./S.A.	Yamazaki Mazak Co., Ltd.					Machine-tools	
Yoshida (Belgium) N.V.	YKK Europe B.V. (87.2%) Yoshida Netherlands (12.8%)	70	70	4,000	32(2)	Manufacture of fasteners	

Luxembourg

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Belgian franc)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
GE Fanuc Automation Europe S.A.	Fanuc Co., Ltd. (50%)	87	84	3,150	12(3)	Manufacture and sales of numerical controllers	USA GE (50%)
TDK Recording Media Europe S.A.	TDK Co., Ltd. (100%)	89.09	Anti- 91 cipated	130,500	600(40)	Audio, video cassette tapes	

Ireland (1)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Ir pound)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
A&M Belting Company, Ltd.	Mitsubishi Belt Co., Ltd. (50%)	90.01	90.05	110	20(0)	Power belts	Arwtz/Optibelt/ KG(50%)
Acme Inks Ireland Ltd.	Sakata Inks Co., Ltd.	88				Printing inks	
Alps Electrical Ireland Ltd.	Alps Electric Co., Ltd. (Alps Electric USA)(100%)	88.03	88	338	225(0)	Manufacture of keyboards and mouse	
Arklow Pottery Ltd.	Noritake Co., Ltd. (80%)	34	35	200	204(5)	Manufacture and sales of chinaware	Government-related banks (Foir Teoranta) (19%)
Asahi Spinning (Ireland)	Asahi Chemicals, Ltd. (65.5%), C. Itoh Co.(19%)	74	77	300	79(3)	Manufacture of acrylic textile fibers	I D A(15%)
Asahi Synthetic Fibres (Ireland) Ltd.	Asahi Chemicals, Ltd. (85%)	74	77	750	213(8)	Manufacture of acrylic fibers	I D A(15%)
Atari Games Ireland	Namuko, Inc.	78	85	300	70	Video games	
Aval Corporation of Ireland Ltd.	Aval Data Corporation	82		10		Manufacture and sales of computer program chips	
Brother Industries (Ireland) Ltd.	Brother Industries, ltd. (100%)	89	89	200	250(12)	Contract production of electronic equipment parts	
Data Products(Dublin)	Hitachi Koki Co., Ltd.	90.05 Acqui- sition	91.06 Anti- cipated			Electric tools	
ETOS · Fujikura International, Ltd.	Fujikura Cables (49%)	90.12		840	400(1)	Electronic cables for computers	ETOS International (51%)
Flemming GmbH	Olympus Optical Industries, Ltd.					Diagnostic equipment	
Fujisawa Ireland, Ltd.	Fujisawa Pharmaceuticals, Ltd. (100%)	90.09	Anti- 92 cipated	1	Anti- 10 cipated	New type of immunity control drugs	
Fujitsu Isotec Ireland Ltd.	Fujitsu Isotec Co., Ltd. (90%), Fujitsu Corporation, Ltd. (10%)	89	89	590	176(8)	Manufacture and sales of components for computer printers	
Fujitsu Microelectronics Ireland	Fujitsu Corporation, Ltd. (100%)	80	81	860	250(6)	Manufacture of semiconductor integrated circuits	

[continuation of list] Ireland (2)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Ir pound)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Hitachi Europe Ltd. Hitachi Dublin Laboratory	Hitachi Manufacturing Co., Inc. (100%)	89.04				R&D (Basic Research)	
Klinge Pharma & Co. Branch of Klinge Pharma GmBH	Fujisawa Pharmaceuticals Co., Ltd. (51%), Fujisawa Holland B.V.(23%)	72	72		128(0)	Manufacture and sales of pharmaceuticals (pharmacenticals and fine chemicals)	Klinge Stiftung + Co. Holding KG (26%)
M.I.S. Ireland	M.I.S.						IDA (Irish government) (5%)
Mitsui Denman (Ireland) Ltd.	Mitsui Metals and Mining Co., Ltd. (75%), Mitsui Bussan Co., Ltd. (20%)	73.08	76	880	106(2)	Manufacture of electrolytic manganese dioxide	
Mitsumi Ireland. Ltd.	Mitsumi Electric Co.					Keyboards	
Munekata Ireland Ltd.	Munekata Co., Ltd. (50%), Tohoku Munekata Co., Ltd. (50%)	87.04	90	200	30(9)	Design, manufacture, and sales of extrusion metal molds	
Munekata Plastronix Ltd.	Munekata Ireland Ltd. (100%)	84.06	84	L.200	360(4)	Manufacture and sales of precision plastic products and home appliances for domestic use	
NEC Semiconductors Ireland Ltd.	NEC Co., Ltd. (100%)	74.07	76	170	316(5)	IC manufacturing	
Ohshima Ireland Ltd.	Ohshima Industries, Ltd. (90%), Yamato Electrolytic Co., Ltd. (50%)	89	89	50	25(4)	Manufacture and sales of metal molds and metal presses	
Sawafuji Ireland Ltd.	Sawafuji Dynamics Co.					Thin speakers	
Sumicem Opto-Electronics (Ireland) Limited	Sumitomo Cement Co.,Ltd. (100%)	88	88	75	5(2)	Manufacture and sales of couplers and VLD modules	
Sun Chemical Inks (Ireland) Ltd.	Dainihon Ink Chemical Industries, Ltd.			2		Manufacture and sales of printing inks	
Toho Ireland Company Ltd.	Unicef Co., Ltd.					Manufacture and sales of electric equipment	
Yamanouchi Ireland Co., Ltd.	Yamanouchi Pharmaceuticals Co., Ltd.	87	87		31(3)	Manufacture and sales of pharmaceuticals (famotidine and nicardipine)	
Diatron	Dia Electric Co.						

Spain (1)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Peseta)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
A. P. Amortiguadores, S. A.	Kayaba Industries, Ltd. (25%)	74	74	830		Manufacture and sales of shock absorbers	Arvin Indusries, Inc. (75%)
AMR Refractarios, S. A.	Kurosaki Refractories, Ltd. (60%), Mitsui Bussan Co., Ltd. (40%)	89.10	89	600	110(0)	Manufacture and sales of fire-resistant materials	
Aceites Esenciales Y Derivados, S. A. (ACEDESA)	Takasago Perfume Industries, Ltd. (30%)	88.11	25	201	47(1)	Manufacture and sales of perfume and/or flavors for cosmetics, soaps and foods	
Acerinox, S. A.	Nisshin Steel Co., Ltd. (9.66%), Nissho Iwai (7.7%)	70.09	75.05	9,700	1,810	Stainless steel	Banesto, et al. (82.23%)
Alcoholes Y Vinos, S. A.	Suntory Co., Ltd. (100%)	69	69	205	34(0)	Manufacture and sales of brandy and alcohol	
Chacott International, S. A.	Chacott Co., Ltd.(100%)	87	87	80	20(1)	Manufacture and sales of toe shoes	
Chemical Waxes, S. A.	Chugoku Refineries (5%), Mitsui Bussan (5%), and Spain Mitsui Bussan Co. (9%)	84.09	84.09	236	44(0)	Manufacture and sales of polyethylene wax	Garcia Family (63%), Scr/Acidek(18%)
Construcciones Margarit S. L.	Tomen, Inc. and Nippon Seiko Co.	54	90	49.5	180(4)	Manufacture of extrusion machines	
Construcion De Inoxidable S. A.	Toto Co., Ltd. (34%)	89.08	90.04	400	30(0)	Manufacture and sales of stainless sashes	ACERINOX. S. A. et al., (66%)
Ebro Kubota, S. A.	Kubota, Inc. (55%), Marubeni, Ltd. (5%), Nissan Motor Iberica(40%)	86	87	4,400	400(20)	Manufacture and sales of agricultural tractors	
Eguzkia-NHK, S. A.	Nihon Spring Co., Ltd. (40%), Nissho Iwai (10%)	80	80	369	60(3)	Manufacture and sales of coil springs and stabilizers for passenger cars	Mulles Y Ballestas Hispano Alemanas, S. A. (50%)
Esteban, Ikeda, S. A.	Ikeda Bussan Co., Ltd. (40%)	90.03	90	921	130(1)	Vehicular seats	Esteban (a subsidiary of German Acter & Ebels) (51%)

[continuation of list]

Spain (2)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Paseta)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Eunasa Nakagawa Europa, S. A.	Nakagawa Denka Sangyo, Ltd. (50%)	86	87	56	120(2)	Manufacture and sales of electric range timers, turntable motors, cloth dryers, ovens, and refrigerators	
Eurotron, S. A.	Sanyo Electric Trading Co., Ltd. (100%)	75	78	50	121(0)	Manufacture of color TV components	
Felguera-I. H. I., S. A.	Ishikawajima Harima Industries (IHI), Ltd. (40%)	75		277		Various types of tanks, petroleum storage plants	S. M. Duro Felguera(51%), Baucs His Pano American(4.5%), Baucs Spain sl le Credef(4.5%)
Firestone Hispania	Bridgestone, Inc. (100%)	32	32	5,400	5,710(12)	Manufacture and sales of tire tubes, wheels, and other industrial products	
Fujitsu Espana, S. A.	Fujitsu, Ltd. (60%)	73	75	8,000	700(6)	Manufacture and sales of computers and printers	Telefonica S. A. (40%)
Hebron, S. A.	Ohtsuka Chemicals	89.11	61	101	77(2)	Manufacture and sales of chemicals	
Hosokawa Micron Espana S. A.	Hosokawa Micron Co., Ltd.	86	89.09			Powder equipment	
Iberica de Reprografia, S. A.	Canon Europe N.V. (The Netherlands) (25%), Canon Gisen GmbH (Germany) (26%), and Canon Espania S.A. (31%)	69	69	216	144(0)	Manufacture and sales of copiers' components and office machines	Others (18%)
Iberica de Suspensiones S. A.	Nihon Springs, Ltd.(40%) Nissho Iwai (10%)	89.11	91	2,000	35(3)	Automotive springs	MBHA(50%)
Ibermemory, S. A.	Mitsubishi Shoji Co., Ltd. (33%)	87	87	325	12(0)	Manufacture and sales of compact disks	Iberofon(67%)
Intermedios Organicos, S. A.	Dainichi Seika Industries, Ltd. (100%)	89			65(0)	Manufacture and sales of organic, inorganic pigments	
JST Espana S. A.	JST Trading Co. (20%) JST Europe (80%)	85.06		30	10(1)	Manufacture and sales of connectors, continuous/ single terminals	
Kanaflex Espana, S. A.	Totaku Industries, Ltd. (100%)	83.05	83	45	15(2)	Manufacture and sales of plastic and rubber hoses	
Kanase Espana, S. A.	Kanase Industries, Ltd. (40%)	70.07	81.02	94	20(0)	Synthetic resin button blanks	
Kao Corporation, S. A.	Kawo Co., Ltd. (100%)	87.08	71	7,420	320(7)	Manufacture and sales of softener salts, raw perfumes, floppy disks, and toners	
Laboratorios Grifols, S. A. Grupo Grifols	Alfa Co., Ltd. (a subsidiary of U.S. company called Green Cross) (50%)	82.09	82	636	500(0)	Manufacture and sales of drug reagents	Grifols Family (50%)
Laboratorios Miquel, S. A.	Ohtsuka Pharmaceuticals, Ltd. (100%)	79.06	79.06	202	14(1)	Manufacture and sales of pharmaceuticals	
Land Rover Santana, S. A.	Suzuki Co., Ltd. (42%) Tomen Co. (2.25%)	84	85.03	6,214	3,345(10)	Manufacture and sales of 4-wheeled vehicles	
Manufactura Moderna de Metales S. A. (MMM)	Sanou Industries, Ltd. (40%)	78.04		1,750	20(0)	Piping components for the autos	
Mitsubishi Metal Espana, S. A.	Mitsubishi Metals Co., Ltd. (99.57%), Mitsubishi Shoji, Ltd. (0.43%)	74	74	500	54(3)	Manufacture and sales of superhard tools	
Montesa Honda, S. A.	Honda Giken Industries, Ltd. (88%)	86.07	86	766	210(4)	Manufacture and sales of motorcycles	RATO(12%)
Nachi Industrial, S. A.	Fujikoshi, Inc. (100%)	76	77	1,500	190(4)	Manufacture and sales of ball bearings	
Nissan Motor Iberica, S. A.	Nissan Motors, Ltd. (67.67%)	80		55,800	6,755(26)	Manufacture and sales of commercial vans, 4-wheel vehicles, buses, trucks	Unspecified number of companies (32.33%)
Paceco Espana S. A.	Mitsui Shipbuilding Co. (34%), Mitsui Co., Espana S.A. (33%)	89.11	89	35	26(0)	Manufacture and sales of container cranes	Banco Hispano Americ. (33%)
Pacific Notario, S. A.	Pacific Industries, Ltd. (98.33%)	88	32	450	102(1)	Manufacture and sales of tire valves and pedals	One Spanish citizen stockholder (1.67%)
Panasonic Espana, S. A.	Matsushita Electric Co., Ltd.	73	75	1,000		Manufacture and sales of vacuum cleaners, audio equipment and VCRs	
Papelera de Castilla S. A.	Settsu Co., Ltd. (49.7%)	90.11			(3)	Manufacture and sales of paper for cardboard boxes	

[continuation of list]

Spain (3)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Pasetas)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Pioneer Electronics Espana S. A.	Pioneer Co., Ltd. (80%)	86.07	86	120		Manufacture and sales of amplifiers and cassette players	
Prisma S. A.	Dainihon Ink Chemical Industries, Ltd.			427		Manufacture and sales of printing inks	
Resinas Sinteticas, S. A.	Dainihon Ink Chemical Industries, Ltd.			330		Manufacture and sales of synthetic resins	
Riken Espana S. A.	Riken Inc. (100%)	81	83	15	10(0)	Manufacture and sales of seal rings and piston bandings	
Sakata Inx Espana, S. A.	Sakata Ink Co.,Ltd.(92%)	80	88	300	21(2)	Manufacture and sales of printing inks	
Sanyo Espana, S. A.	Sanyo Trading Co., Ltd. (100%)	69	69	205	852(10)	Manufacture and sales of color TVs, VCRs, and AV equipment	
Seiko Instruments Espana S. A.	Seiko Electronics Industries, Ltd.(80%), (Nastec) Industries, Ltd. (20%)	89.07	89	50	6(1)	Optical equipment (jumper cables)	
Sharp Electronica Espana, S. A.	Sharp Co., Ltd. (98.5%), Sharp Electronic (Europe) GmbH (0.04%)	86.04	86	1,908	600(14)	Manufacture and sales of color TVs and music sensors	One individual Faus Aluinana Alberto (1.11%)
Showa Europa S. A.	Showa Manufacturing Co., Ltd.	90.04	91.01	250	100(0)	Manufacture of shockabsorbers for two-wheeled vehicles	
Sony Espana, S. A.	Sony, Ltd. (100%)	73	82	750	500(11)	Manufacture and sales of color TVs and hi-fi VCRs	
Sovitec Iberica, S. A.	Asahi Glass Co., Ltd.					Microesferas de vidrio	
Suzuki Motor Espana, S. A.	Suzuki, Ltd. (100%)	87	49	473	318(6)	Manufacture and sales of motorcycles and parts	
Swift Adhesifs S. A.	Dainihon Ink Chemical Industries, Ltd.			4		Manufacture and sales of adhesives	
Taikisha Espana, S. A.	Taikisha Co., Ltd.(100%)	87.1	88.11	5	7(4)	Construction of automobile painting plants	
Terasaki Espana, S. A.	Terasaki Electric Industries, Ltd. (100%)		87	200	200	Manufacture of industrial breakers (circuit breakers)	
Textile Celra, S. A.	Kondo Bosekisho Co.,Ltd. (80%), Marubeni (20%)	87	88	2,400	100(5)	Manufacture and sales of cotton spinning yarns	
Toho-Polymer Europe, S. A.	Toho Polymer Co., Ltd. (100%)	83.04	83	90	120(1)	Manufacture and sales of extruded silicon rubber keyboards	
Tokai Vesta Hispania, S. A.	Tokai, Inc. (100%)	87.04	87	300	60(2)	Manufacture and sales of disposable lighters	
Toval Japon, S. A.	Japanese Paper Pulp Trading Co. (Japan Pulp & Paper GmbH)(70%), Toppan Printing Co.,Ltd. (20%)	89.10	90.01	10	20(0)	Manufacture and sales of decorative laminate boards	Mr. Fransisco Val Rios (10%)
Toyo Jozo, S. A.	Toyo Breweries, Ltd.(85%)	88.07	89	100	3(0)	Manufacture and sales of animal drugs and animal food additives	Andersen, S. A. (15%)
VITRASA	Viento Trading(100%)	88	87	6	15(0)	Manufacture and sales of leather clothing	
VND S. A.	Nihon Denso Co., Ltd. (90%)	89.06	91.09 Anticipated	1,800		Manufacture of DLI coils	
Yamaha Motor Espana, S. A.	Yamaha Engine Co., Ltd. (20%), Yamaha Motor Europe N.V. (80%)	81	82	1,580	300(10)	Manufacture and sales of motorcycles and parts	
Yazaki Monel S. A.	Yazaki Industries, Ltd. (51%)	88	24	180	437(5)	Manufacture and sales of wire harnesses for cars	
Yoshida Espanola, S. A.	Yoshida Industries, Ltd. (100%)	70	76	300	206(14)	Manufacture and sales of slide fasteners	

[continuation of list]

Italy (1)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Liras)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Alcantara S.P.A.	Toray Co., Ltd. (49%)	74.09	75.09	12,000	430(2)	Manufacture and sales of artificial leathers	Enichemfibre (51%)
Barba's Diffusione S.R.L.	Impact 21 Co., Ltd.	89.07		1,000		Production and sales of fine men's suits	
Benati Macchine S.P.A.	Fiat Hitachi, a joint venture company of Hitachi Construction Co.,Ltd. and Italian Fiat (Geotec)Co.	89.12		4,000	450	Construction machines	Fiat (Geotec) Betas
Bill KAISERMAN S.P.A.	Onward Kashiyama, Inc.	89.07		500		Planning, manufacture, and sales of brandname goods (Bill Kaiserman)	
Bridgestone Firestone Italia S.P.A.	Bridgestone, Inc.	88	88	27,000	1,116(0)	Manufacture and sales of tires	
CIAP S.R.L.	Honda Giken Industries (100%), Honda Italia (78.2%), Montessa Honda (Spain) (14.5%), Honda Belgium (3.63%), and Honda France (3.63%)	88.11	88	200	70(1)	Manufacture and sales of motorcycle components (transmission gears)	
Confezione FG S.P.A.	Mitsubishi Shoji, Ltd. (30%)	85	85	2,500	195(0)	Production and sales of men's heavy clothing, men's sports attire	
Ebara Italia S.P.A.	Ebara Manufacturing Co., Ltd. (100%)	89.01	90	4,500	57(0)	Manufacture and sales of stanard pumps	
Emblem Europe S.P.A.	Yunichika (30%), Marubeni (5%), and Marubeni Germany (5%)	88	88	12,000		Manufacture of nylon films for food packaging	Snia Tecnopolimeri (60%)
Fiamm GS S.P.A.	Nihon Batteries Co.,Ltd. (49%)	88.09	89.06	4,000	40(1)	Manufacture and sales of small-sealed lead batteries	Fiam (51%)
Fiat-Hitachi Exscavators S.P.A.	Hitachi Construction Co., Ltd. (44%), Sumitomo Shoji (5%)	87	87	53,500	720(9)	Manufacture of hydraulic shovels	Fiat Geotec (51%)
Galileo Vacuum Tec	Ebara Manufacturing Co., Ltd. (20%)	88	88	11,900	190	Vacuum equipment	Galileo Vacuum Tech and Officine Galileo (80%)
Gibo S.P.A.	Onward Kashiyama, Inc. (100%)	90		2,000	150	Women's garments	
Honda Italia Industriale S.P.A.	Honda Giken Industries, Ltd. (100%)	71	79	16,000	328(10)	Manufacture and sales of 125 cc motorcycles	
Honda R&D Italia	Honda Giken Industries, Ltd.	87		16,000	2(2)	R&D on motorcycles	
I.F.G. S.P.A.	Onward Kashiyama, Inc.	89.03	89.03	8,000	267(1)	Manufacture of high class (pretaporte)	
Junior S.P.A.	Onward Kashiyama, Inc.	89.06 Capital participation		3,000	21	Men's and women's garments	(Jean-Paul Gorche) S.A. (20%), Fuzzi S.P.A. (20%)
Luciano Soprani S.P.A.	Onward Kashiyama, Inc.	86.05		350		Production and sales of brandname merchandise	
Margera Butadiene S.P.A.	Mitsui Bussan Co., Ltd. (33.3%), Nihon Xeon Co. (33.3%)	85.07	87	12,000	24(0)	Production of butadiene	Monte Dipe (33.33%)
Marmo Design SRL	Yoshida Industries, Ltd. (100%)	87		650		Interior design and furnishing with cut stones	
Miteni S.R.L.	Mitsubishi Shoji Co., Ltd. (49%)	88.03	89.11	13,000	155(0)	Production and sales of organic fluorocompounds	Enichem Synthesis S.P.A. (51%)
Nikkal Europe S.P.A.	Nikkal Japan, Ltd. (49%)	86.02	86.02	200	3(0)	Home ice cream makers	Lavatelli (37%)
Olivetti Sanyo Industriale S.P.A.	Sanyo Electric Co., Ltd. (39%) and Mitsui Bussan (10%)	89.06	90.05	10,000	54(10)	Manufacture and sales of fax machines	Olivetti (51%)
Olivetti-Canon Industriale S.P.A.	Canon Co., Ltd. (50%-one stock)	87	87.04	200	500	Manufacture of copiers, fax machines, and laser printers	Olivetti (50%+1)
Piaggio Veicoli	Daihatsu Motors (30%)	91.01	92.12 Anticipated	3,000		Manufacture and sales of small cars	Piaggo V.E. S.P.A. (51%)
Prima Industrie S.P.A.	Amada, Inc. (49%)	80.09	80	8,382	140(1)	Manufacture and sales of laser robots (KD and RD of Japan)	Prima Industrie (51%)
Resindion S.R.L.	Mitsubishi Chemicals, Ltd. (100%)	89.02	60	4,000	50(1)	Manufacture and sales of ion exchange type resins	
Roland Europe S.P.A.	Roland Co., Ltd. (65%)	87	76	1,800	102(0)	Manufacture of music instruments	C. Lucarelli (35%)

[continuation of list] Italy (2)

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Liras)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Rotoink S.P.A.	Dainihon Ink Chemical Industries, Ltd.			800		Manufacture and sales of printing inks	
Shinto Italia S.P.A.	Shinto Industries, Ltd. (98%)	84	84	300	29(1)	Manufacture and sales of (lance) pipes	Misano SPA(10%)
Sony Italia S.P.A.	Sony, Ltd. (100%)	81	88	12,000	207(6)	Manufacture and sales of audio cassette tapes	
Sun Chemical Inchiostri, S.P.A.	Dainihon Ink Chemical Industries, Ltd.			10,720		Manufacture and sales of printing inks	
Takeda Italia Farmaceutici S.P.A.	Takeda Pharmaceuticals, Ltd. (38.5%)	82		1,950	10	Production and sales of pharmaceuticals	Cyanid Italia (38.5%) and (Finfarma) (23%)
Tecdis S.P.A.	Seiko Electronics, Ltd. (82.75%)	85	89	18,000	150(7)	Manufacture, sales, and R&D of LCDs	Teknecomp SPA (10%), Aeritalia SPA(7.25%)
Tessitura Tintoria Stamperia Achille Pinto S.P.A.	Mitsui Bussan Co., Ltd. (14.2%) Toray Europe (32.3%)	33	74.03	2,500	104(0)	Production and sales of printed fabrics	Cabeco S.P.A (38.9%), Tiehawk Ltd. (14.6%)
Trucco S.P.A.	Nittsuko	47	47	2,000	200(0)	Manufacture and sales of digital button systems	Trucco
YKK Marmi S.P.A.	Yoshida Shoji Co., Ltd. (99.5%), Yoshida Italia S.P.A. (0.5%)	76	82	3,740	21(3)	Processing and sales of marbles	
Yamaha Musica	Yamaha, Ltd. (50%)	90.04	90.07	8.4	63(4)	Electronic music instruments	Monzino S.P.A. (50%)
Yoshida Italia S.P.A.	Yoshida Industries, Ltd. (93.5%), Yoshida Netherland (6.5%)		68.01	2,000	322(17)	Manufacture and sales of zippers	
Yoshida Mediterraneo S.P.A.	Yoshida Industries, Ltd. (50%) Yoshida Italia SPA(25%), Yoshida(France)SARL(10%) Yoshida(Deutschland)GmbH (10%)	77	78.04	300	103(8)	Parts for zippers	
インターカヅキ	Ms. Kazuki Noriko					Dress design office	

Finland

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Markka)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Hoya Lens Finland OY	Hoya Co., Ltd.	80.02	80.02	550	36(0)	Manufacture, sales, and R&D of eyeglasses	
Nokia Renkaat OY	SP Tyres UK Ltd. (a UK company with 80.7% capital investment of Sumitomo Industries Rubber Ltd.)	88.01 (20%)		10,000		Manufacture and sales of various tires and tubes	Nokia Corporation(80%)
OY Potma Ltd.	Nihon Beet Sugar Co., Ltd. (40%), Marubeni Ltd. (10%)	71		120		Manufacture of paper pots	(Ranen) (50%)
Suomen Yoshida OY	Yoshida Industries, Ltd. (100%)	79.11	79	150	13(2)	Manufacture and sales of fasteners	

Sweden

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Krona)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Grafisk Farg AB	Dainihon Ink Chemical Industries, Ltd.					Manufacture and sales of printing inks	
Hagby bruk AB	Asahi Diamond Co., Ltd. (25%)	84.06	84.06	800		Diamond tools	
Hartmann Flexo AB	Dainihon Ink Chemical Industries, Ltd.			300		Manufacture and sales of printing inks	
Hartmann Tryckfarger AB	Dainihon Ink Chemical Industries, Ltd.			10		Manufacture and sales of printing inks	
Hoya Optikslip AB	Hoya Co., Ltd. (25%), Hoya Europe B.V. (25%)	80.02	80.02	200	134(0)	Manufacture and sales of R&D of eyeglasses	Family Andersson (50%)
Ohlins Racing AB	Yamaha Engine Co., Ltd. (65%)	76	76	25	18(0)	Manufacture and sales of shock absorbers	

[continuation of list]

Denmark

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Krone)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
DNP Denmark A/S	Dainihon Printing Co., Ltd. (100%)	89	89	12,000	170(5)	Projection TV screens	
DNP Research of Denmark A/S	Dainihon Printing Co., Ltd.	90.11		500		R&D on projection TV screens	
Fuji Engineering A.S.	Fuji Packaging Machines, Inc.	90	90	80	4(0)	Manufacture of packaging machines	JOGAN DOHLMANN S.A.
Ottoson	Komatsu Manufacturing Co. Inc. (Komatsu UK and Komatsu Europe) (25%)					Manufacture of construction machines	
YKK Denmark A/S	Yoshida Industries, Ltd. (50%), YKK (UK) Ltd., (50%)	82	83	400	21(2)	Manufacture of fasteners	

Austria

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Schilling)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Amada Austria GmbH	Amada, Inc. (60%), Amada Metrix, Inc. (40%)	86.12	87	22,000	115(10)	Manufacture and sales of band-saw blades and metal molds for press brakes	
Complex GmbH	Mazda, Ltd.	90.8	91 Spring	500	about50	Car engine components to boost engine power (pressure wave superchargers, [PWS "Complex"])	
DADC Austria GmbH	Sony, Ltd. (100%)	86	87	13,000	400(4)	Manufacture and sales of compact disks	
Dorotherm Warmebehandlung GmbH	Parker Heat Treatment Co., Ltd. (100%)	79	79	50	37(0)	Manufacture and sales of heat-treated metal products	
Ferrodur GmbH	Parker Heat Treatment Co., Ltd. (100%)	86	86	50	20(0)	Manufacture and sales of heat-treated metal products	
Fuji Metallveredelungs GmbH & Co. KG.	Parker Heat Treatment Co., Ltd. (100%)	47	47	20	27(2)	Manufacture and sales of heat-treated metal products	
Hartmann Druckfarben GmbH	Dainihon Ink Chemical Industries, Ltd. (100%)			1,300		Manufacture and sales of printing inks	
Head Sportgerate GmbH & Co. OHG	Komatsu Manufacturing Co. Nissho Iwai, and Ohzawa Trading Co. (30%)	89		1,500	580(0)	Skis and tennis rackets	
Horiba Europe GmbH, Niederlassung Austria	Horiba Europe(100%)	88.03	89		11(0)	Manufacture and sales of atmospheric pollution instruments	
Reichhold Chemie GmbH	Dainihon Ink Chemical Industries, Ltd. (100%)			7,000		Manufacture and sales of synthetic resins	
Semperit MBL GmbH	Mitsubishi Belt Co., Ltd. (50%)	82		9,450	140(3)	Manufacture and sales of rubber belts	
TYROLIA Freizeitgerate GmbH & Co. OHG	Komatsu Manufacturing Co. Nissho Iwai, and Ohzawa Trading Co. (30%)	89.03			699	Skiing equipment	
Yoshida (Austria) GmbH	Yoshida Industries, Ltd. (100%)	75	77	6,000	30(1)	Manufacture and sales of fasteners	
	Fuji Seiki Co., Ltd. (62.5%)					Vacuum systems	Vacuum Engineering (VSE)

[continuation of list]

Portugal

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Escudo)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Companhia Industrial de Resinas Sinteticas, CIRES, S.A.	Shin-Etsu Chemicals, Ltd. (25%), Mitsui Bussan (25%)	60	62	96,000	234(1)	Manufacture and sales of vinyl chloride polymers	Free trading ta the stock market (50%)
Emosco-Estampagem e Fundicao Injectada, S.A.	Teisan Industries, Ltd. (25%)	90		60,000	230(0)	Manufacture and sales of diecast products	
FISIPE, Fibras Sinteticas de Portugal S.A.	Mitsubishi Shoji, Ltd. (13%), Mitsubishi Rayon, Ltd. (8%)	73	80	371,800	440(0)	Manufacture and sales of acrylic fibers	Qumigal(65%)
Firestone Portugauesa, S.A.	Bridgestone and Firestone, Inc. (96.9%)	88	88	15,000	558(0)	Manufacture and sales of tires	
Isobe Miura-Aparelhos Terapeuticos e Produtos Diecteticos, Lda. (Nikken Europe)	Nihon Kenko Zoshin Kenkyukai (Health Improvement Society) (100%)	89	89	1,050	20(2)	Manufacture and sales of health equipment	
MATRENA-Sociedade Industrial de Papeis S.A.	Settsu Co., Ltd. (14.3%)	88		80,000	1(1)	Manufacture and sales of printing papers	
Mitsubishi Motors de Portugal, S.A.	Mitsubishi Motors, Ltd. (19.25%), Mitsubishi Shoji, Ltd. (49.25%)	65		94,200		Contract manufacture of trucks, vans, and passenger cars	Individual stock holders (0.25%), company owned "
Nemoto Portugal-Quimica Fina LDA	Nemeto Specialty Chemicals, Ltd. (51%), Nissho Iwai (34%)	89	91	13,800	20(3)	Manufacture and sales of specialty pigments	I P E (15%)
OPTEC-D.D. (Portugal) Componentes Electricos, LDA	Daiichi Electric Co., Ltd. (a subsidiary of Daiichi Electric (M)	89.10	91	50,000	75(5)	Manufacture of magnet wires	
Salvador Caetano I.M.V.T. S.A.	Toyota Motors, Ltd. (27%)	46	46	320,000	1,645(0)	Manufacture and sales of bus bodies, car components, commercial cars	Fogeca(55.15%), Indimos(3.59%)
Textil Tsuzuki, LDA.	Tsuzuki Textile Co., Ltd. (100%)	88.12	91.01	300,000	120(8)	Manufacture and sales of cotton yarn	
Textile Lopes da Costa, S.A. (TLC)	Mitsui Bussan, Ltd. Toyobo Co., Ltd.	66	68	151,900	550(0)	Manufacture and sales of acrylic staples	Comundo & Others
Yazaki Saltano de Portugal, Componentes Electricos Para Automoveis, LDA.	Yazaki Industries, Ltd. (60%)	86.07	86	150,000	2,355(16)	Manufacture and sales of wire harnesses	Saltano Investimento E Gestao. LDA. (40%)
Yoshida Portuguesa LDA.	Yoshida Industries, Ltd. (99.99%), Yoshida France S.A. (0.01%)	81.07	83	25,000	(4)	Manufacture and sales of fasteners	

Switzerland

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Franc)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Citizen Watch Suitzerland A.G.	Citizen Watch Co., Ltd.					Wristwatches	
Comprex	Mazda, Ltd. (85%)					Pressure wave superchargers (an engine component to boost its power output)	ABB Turbosystems Co. (15%)
Finckh Druckfarben AG	Dainihon Ink Chemical Industries, Ltd. (100%)			40		Manufacture and sales of printing inks	
Hartmann Druckfarben AG	Dainihon Ink Chemical Industries, Ltd. (100%)			50		Manufacture and sales of printing inks	
Isowa A.G.	Isowa, Inc. (50%)	90.02	90	5	3(0)	Cardboard box making machines	Intercontainer Co. (50%)
Jean Lassale S.A.	Hattori Seiko, Inc. (100%)	76	76.01	300	30(3)	Manufacture of watches	
Reichhold Chemie AG	Dainihon Ink Chemical Industries, Ltd. (100%)			4,161		Manufacture and sales of synthetic resins	
Sanyo (Europe) International AG	Sanyo Electric Trading Co., Ltd. (100%)	77.08	77.08	20	3(2)	Design center for VCRs and color TVs	
Toyo Jozo A.G.	Toyo Brewery Co., Ltd. (100%)	88.02		50		Production and development of pharmaceuticals	
Yoshida Schweiz AG	Yoshida Industries, Ltd. (90%), Yoshida Netherlands (10%)		72.04	50	14(1)	Fasteners	

[continuation of list]

Greece

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Drachma)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Hellenic Steel Company	C. Itoh, Ltd. (29%)	63	67	12,898	765(0)	Manufacture and sales of cold rolled sheets, galvanized sheet metals, and tinned sheet plates	EIBA (Greek Industrial Development Bank)(35.2%), NIBID (Industrial Devel. Invest. Bank) (4.2%), ILVA (Italian Steel Public Corp.), Usinor-Sacilor (French Steel Public Corp.) (31%)
Tosoh Hellas A.I.C.	Tosoh Co., Ltd. (65%) Mitsubishi Shoji, Ltd. (35%)	73	76	583	174(3)	Manufacture and sales of electrolytic manganese dioxide	
Yoshida Hellas A.B.E.	YKK Group (100%)	83	86	280	37(1)	Manufacture and sales of fasteners	

Iceland

Name of local affiliated company	Name of parent Japanese company (percent of capital investment)	Date of establishment	Starting date of operation	Capital (in 10,000 Krona)	Number of employees (Japanese)	Business content	Local joint venture company (stockholding %)
Icelandic Alloys, Ltd.	Sumitomo Shoji Co., Ltd. (15%)	75	79	2,000	150(0)	Manufacture of ferro-silicon	Iceland government (55%), Elkem A/S (Norway Oslo) (30%)

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